

**BlueVault**  
P A R T N E R S , L L C

# Nontraded REIT Industry Review

**SECOND QUARTER 2013**

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September 6, 2013

We are pleased to release the Blue Vault Partners 2Q 2013 Nontraded REIT Industry Review. Packed with facts, statistics, and analysis, this report marks the 16th quarterly publication released since launching the firm in 2009. Subsequent to releasing our first report, each publication thereafter has been expanded and enhanced as we continually strive to not only promote transparency and education, but also deliver the most comprehensive, user-friendly reports on behalf of the nontraded REIT industry.

The 2Q 2013 Review delivers coverage and analysis on 72 nontraded REITs in the market as of the date of this publication. During 2Q 2013, a total of 40 nontraded REITs raised \$4.9 billion in new capital and a record high of \$8.8 billion during the first half of the year. While 33 nontraded REITs were closed to new investments as of June 30, subsequent to the quarter end, two new REITs were declared effective by the SEC, two exited the industry by deregistering their offerings, and one listed its shares on a national stock exchange.

Through August 2013, six full-cycle events have occurred marking an all-time high for the nontraded REIT market. Included in this report is a detailed review of the three most recent liquidity events as well as an in-depth look at the retail sector and 13 nontraded REITs that own a substantial amount of commercial retail properties.

Finally, we've included an overview of the soon to be released second edition of the Blue Vault Nontraded REIT Full-Cycle Performance Study. This crucial white paper, produced in collaboration with the McCombs Real Estate Finance and Investment Center at the University of Texas at Austin, offers performance results for 26 nontraded REITs that have completed a liquidity event through October 2013. High-level findings and details about the release date for this ground-breaking study will be available soon.

As always, we are extremely grateful for your business and the trust you have placed in Blue Vault to provide you with the indispensable facts of the nontraded REIT industry.

Gratefully,

Stacy Chitty  
Managing Partner

Vee Kimbrell  
Managing Partner

David Steinwedell  
Managing Partner

# Nontraded REIT Industry Review: Second Quarter 2013



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## Metric Definitions & Explanations

**A Portfolio Details** Includes a summary of the portfolio holdings for the current period as reported on the REIT's balance sheet. Items categorized as real estate assets include real property, land, properties held for sale, buildings under construction and when applicable, investments in other real estate ventures, and/or real estate loans. Securities are defined as marketable securities which may include investments in CMBS securities. Items defined as "other" typically include lease intangibles, restricted cash and other miscellaneous items.

This section also includes a current overview of the REIT's investment strategy as it relates to the current percentage of cash available for future investments, the types of real estate assets the REIT intends to purchase and the number of properties actually purchased as of the current quarter end. Details such as the amount of square feet, units, rooms or acres owned are also included as well as the percentage leased for current real estate holdings.

The initial offering date is defined as the date the REIT was considered "effective" by the SEC and began raising money in its public offering. The number of months indicates how long the REIT has been raising capital and the anticipated offering close date is the date the REIT anticipates closing the REIT to new investments. The current price per share and reinvestment price per share are based on either the most recent offering price or the most recent price published as a result of a portfolio valuation.

**LifeStages™** Blue Vault Partners has established distinct stages within a nontraded REIT's life that have distinguishing characteristics regarding asset base, capital raise, investment style and operating metrics. REITs are categorized within the publication by their LifeStages.

**Effective LifeStages** – during the Effective or Open phase of a nontraded REIT, active fund raising occurs under an initial offering or follow-on offering.

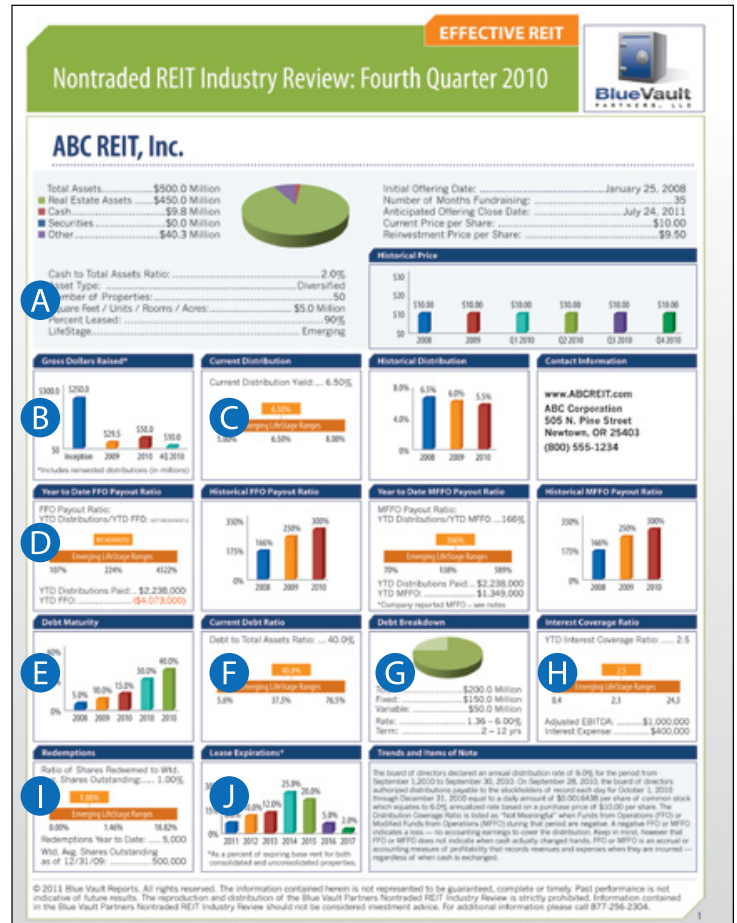
- **Emerging** – characterized by slow ramp-up of capital raising and commencement of acquisitions. Metrics are typically not meaningful and vary widely.
- **Growth** – Acceleration of both capital raise and acquisitions. Metrics begin to show some signs of stability but can be erratic.
- **Stabilization** – Distinct formation of the REIT's personality. Refinement of debt strategy and diversification. Metrics gain further stability.

**Closed LifeStages** – during the Closed phase of a nontraded REIT, active fund raising has ceased however, new capital can still be added to the REIT through Distribution Reinvestment Programs (DRIP).

- **Mature** – Refinement of the portfolio through dispositions, targeted acquisitions and debt policy. Metrics should begin to move into line with publicly traded REITs. Also, valuation of shares begins within 18 months from the close of equity raising.
- **List or Liquidate** – positioning of the portfolio for sale or for listing on a public exchange. An external investment banker may be hired for guidance and to finalize refinement of the portfolio and its metrics to compete as a traded REIT.

**Investment Styles** – Blue Vault Partners has further classified and categorized each REIT according to a particular investment style based on the following definitions:

- **Core** – 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 terms of asset values.

- **Value Add** – defined as a REIT that achieves a balanced total return generated by income and asset appreciation with some volatility in asset values.
- **Opportunistic** – defined as a REIT that generates a high percentage of its total return from asset appreciation and a low percentage from income. REITs in this category are also expected to exhibit a higher level of volatility in asset values.
- **Debt** – defined as a REIT that invests primarily in real estate related debt and/or mortgage instruments.

- B Gross Dollars Raised** Defined as sales of nontraded REIT shares, including those purchased with reinvested dividends.
- C Current Distribution & Historical Distribution** The annualized distribution yield for each quarter or calendar year. Distribution yields are calculated using the distribution amount per share, as declared by the board of directors, and dividing the annualized amount by the offering price.
- D FFO & MFFO Payout Ratios** Cash distributions paid as a percentage of the REITs Funds from Operations (FFO) or Modified Funds from



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## Metric Definitions & Explanations

Operations (MFFO) during the indicated time frame. “Distributions paid” also includes cash distributions that were reinvested when applicable.

This metric is helpful in understanding how much of the Funds from Operations (FFO) or Modified Funds from Operations (MFFO)—that is, the income from operations—is used to pay the distributions. If the Payout Ratio is over 100%, this typically indicates that the REIT is using money from other sources—outside of income—to pay distributions. It is common for REITs that have been fundraising for less than two years to have payout ratios that are higher than 100% as the main objective during this initial fundraising period is to acquire properties as new capital is raised. Once the REIT has closed to new investments and the rental income becomes more stabilized, the payout ratio tends to decline towards a more ideal ratio of 100% or less.

In addition to reporting earnings like other companies, REITs report Funds from Operations (FFO). This is due to the fact that REITs have high depreciation expenses because of how properties are accounted for under accounting rules. High real estate depreciation charges—which are required accounting—can seem unrealistic given that real estate assets have often appreciated and been sold for a profit. Besides, depreciation expenses aren't real cash expenditures anyway. So FFO adds back the depreciation expenses—and makes other adjustments as well. Keep in mind that FFO is a non-GAAP financial measure of REIT performance. GAAP stands for Generally Accepted Accounting Principles. Non-GAAP means that FFO is not an accounting standard.

The National Association of Real Estate Investment Trusts (NAREIT) has defined FFO as:

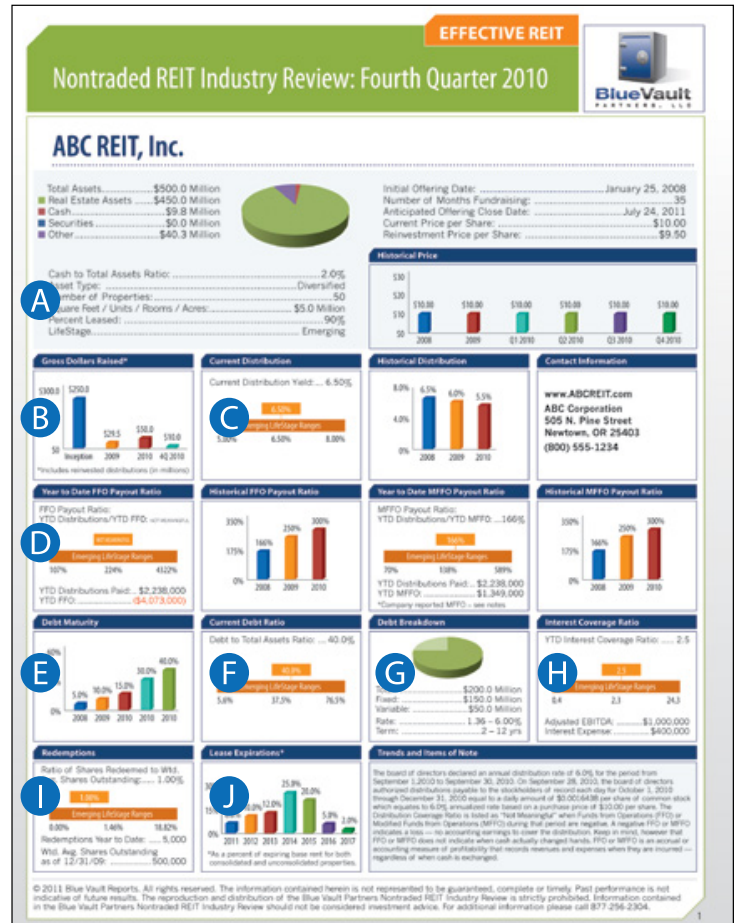
Net Income  
+ Depreciation  
–/+ Gains/Losses on Property Sales (removes one-time items)  
–/+ Adjustments for unconsolidated joint ventures and partnerships

### FFO

Unfortunately, the NAREIT definition isn't uniform in practice. Not every REIT calculates FFO according to the NAREIT definition or they may interpret the NAREIT definition differently. Blue Vault Partners presents FFO in keeping with the NAREIT definition to the best of our ability, given the public information made available by each REIT in the quarterly filings. We may attempt to deduce FFO for nontraded REITs that are not forthcoming, but cannot guarantee the accuracy.

FFO does have some limitations:

- **FFO is an accrual measure of profitability, not a cash measure of profitability.** That is because FFO (and net income) records income and expenses, regardless of whether or not cash has actually changed hands.
- FFO contains another weakness: it does not subtract the capital expenditures required to maintain the existing portfolio of properties. Real estate holdings must be maintained, so FFO is not quite the true residual cash flow remaining after all expenses and expenditures. FFO is an imperfect measure of REIT performance, but it is the best that we have for the non-traded REIT industry at this time. Blue Vault Partners is employing the NAREIT definition and adjusting company-reported FFO to comply with NAREIT whenever possible.



“Modified Funds from Operations” or “MFFO”, is a supplemental measure which is intended to give a clearer picture of the REIT’s cash flow given the limitations of FFO as indicated above. **It is important to keep this metric in mind while reviewing FFO calculations for each REIT. In general, MFFO is considered to be a more accurate measure of residual cash flow for shareholders than simple FFO and it provides a better predictor of the REIT’s future ability to pay dividends.**

While one REIT’s reported MFFO may not be completely comparable to another REIT’s reported MFFO, new guidelines set forth by the Investment Program Association (IPA) in November 2010 now offer a more consistent approach to reporting MFFO for the nontraded REIT community. For REITs that do not report MFFO, Blue Vault Partners presents estimates in accordance with these new IPA guidelines. MFFO is generally equal to the REIT’s Funds from Operations (FFO) with adjustments made for items such as acquisition fees and expenses; amounts relating to straight line rents and amortization of above or below intangible lease assets and liabilities; accretion of discounts and amortization of premiums on debt investments; non-recurring impairments of real estate-related investments; mark-to-market adjustments included in net income; non-recurring gains or losses included in net income from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings, unrealized gains or losses resulting from consolidation from,

## Metric Definitions & Explanations

or deconsolidation to, equity accounting, and adjustments for consolidated and unconsolidated partnerships and joint ventures.

**E Debt Repayment Schedule** The due date for a debt when the principal must be repaid. The commercial real estate industry has a little over a trillion dollars in maturing loans coming due in the next few years. The challenge is renewing these loans in a time of tight credit and fallen real estate values. If a REIT cannot refinance, it has to divest of assets, which reduces Funds from Operations (FFO) and endangers a payout to investors. If the majority of a REIT's debt is maturing in the next 12-24 months, this could be an issue.

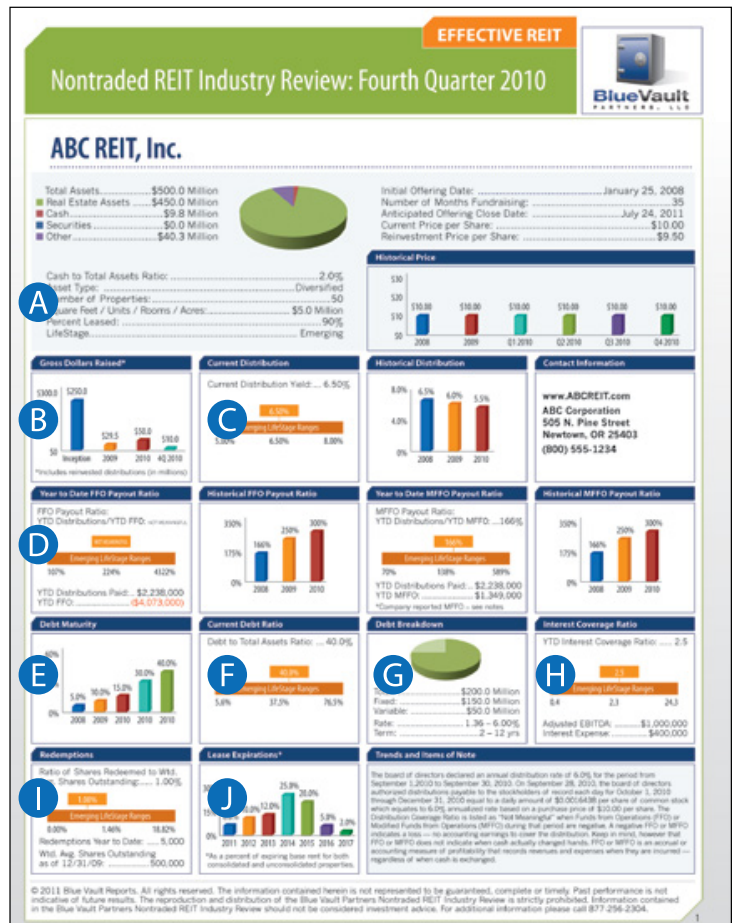
**F Current Debt Ratio** The ratio of Total Debt divided by Total Assets. There is no perfect debt level for a REIT; some sectors use more debt than others. But what was once considered reasonable debt can become a problem in a difficult economic environment. A careful REIT investor will look at both the Current Debt Ratio and the Interest Coverage Ratio to gauge if a REIT is overleveraged. Also, see the Debt Maturity schedule for any debt refinancing challenges on the horizon.

**G Debt Breakdown** Gives a snapshot of total debt as itemized on the balance sheet and divides into the amount financed at fixed rates versus the amount financed at variable rates. REITs commonly utilize interest rate swap agreements to effectively fix rates on variable rate debt. Blue Vault reports variable rate debt that has been effectively hedged via swap contracts as fixed rate debt. Terms and maturity ranges are presented for all debt outstanding.

**H Interest Coverage Ratio** Calculated as year to date adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), divided by year to date Interest Expense.

Adjusted EBITDA is defined as EBITDA before acquisition expenses and impairments. All EBITDA figures referenced in this report have been adjusted unless otherwise provided by the individual REIT. Since it's tough to gauge how much debt is too much or too little, the Interest Coverage Ratio is another clue to a REIT's debt health. The Interest Coverage Ratio is a measure of a REIT's ability to honor its debt interest payments. A high ratio means that the company is more capable of paying its interest obligations from operating earnings. So even if interest costs increase due to higher costs of borrowing, a high Interest Coverage Ratio shows that a REIT can handle those costs without undue hardship. The analyst community typically looks for an **Interest Coverage Ratio of at least two (2)—that is, operating income is at least twice the costs of interest expenses—to maintain sufficient financial flexibility.** When the Interest Coverage Ratio is smaller than one (1), that means the REIT may not be generating enough cash from its operations to meet its interest obligations. With a ratio less than one, the company has significant debt obligations and may be using its entire earnings to pay interest, with no income leftover to repay the debt. On the other hand, a very high interest coverage ratio may suggest that the company is missing out on opportunities to expand its earnings through leverage.

**I Redemptions** REIT shares bought back from the shareholder/investor by the REIT under a program referred to as the Share Redemption Program (SRP), to provide investors with a limited form of liquidity. This Program is severely limited in the number of shares that can be repurchased annually. Most REITs also have a provision that allows



them to suspend this liquidity feature upon Board approval.

Share redemption ratios are provided for comparison purposes only and may not be calculated in the same manner in which each individual REIT's share redemption program guidelines dictate. With that in mind, please refer to the individual REIT offering documents for more details. In an attempt to standardize this metric and make general program comparisons, we calculate redemption ratios by dividing the actual number of shares redeemed by the weighted average number of shares outstanding.

**J Lease Expirations** Date when the lease ends and the landlord will need to re-lease space. Percentages reported are based on annualized base rents unless otherwise noted.

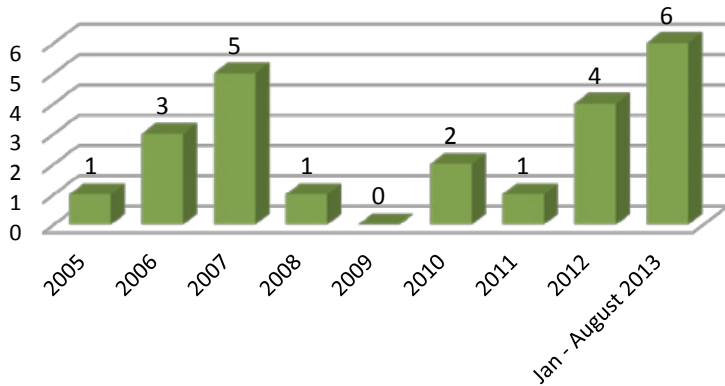
**LifeStage Ranges:** For certain metrics we have provided a summary of data ranges that include the minimum, maximum and median data points for each LifeStage. The actual value for each REIT is indicated along the LifeStage Range indicator in order to quickly determine how each REIT has performed against its peers. In circumstances where a particular metric may not be calculated due to missing or unavailable information, the value may be labeled "Not Available". Whenever FFO, MFFO or EBITDA are negative, ratios are "Not Meaningful."

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## Overall Industry Summary

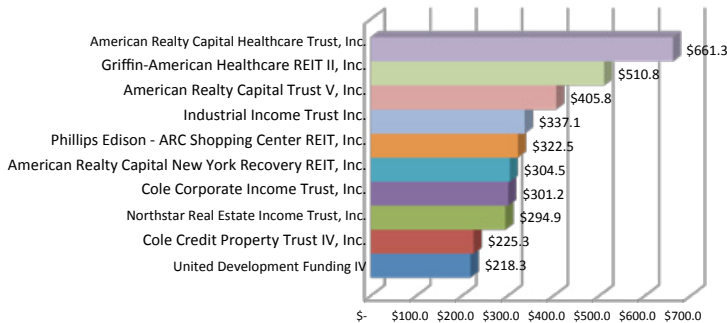
**Full-Cycle Events Since 2005**  
Year-to-Date – August 31, 2013



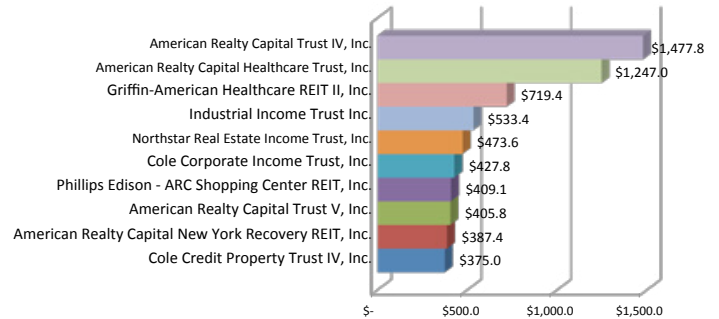
**Total Investor Proceeds Raised Per Quarter**  
(in \$ Billions)



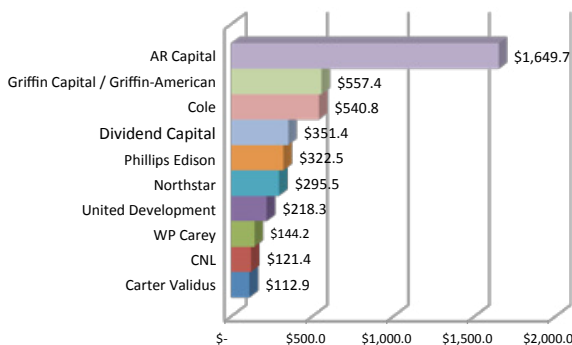
**Top-10 REITs Ranked by Investor Proceeds Raised**  
Second Quarter of 2013 (\$Millions)



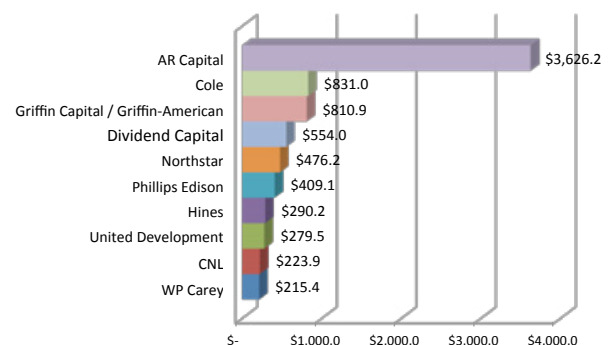
**Top-10 REITs Ranked by Investor Proceeds Raised**  
Year-to-Date as of June 2013 (in \$ Millions)



**Top-10 Sponsors Ranked by Investor Proceeds Raised**  
Second Quarter of 2013 (in \$ Millions)



**Top-10 Sponsors Ranked by Investor Proceeds Raised**  
Year-to-Date as of June 2013 (in \$ Millions)



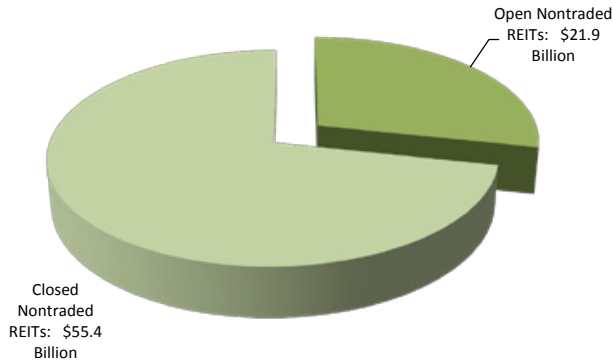


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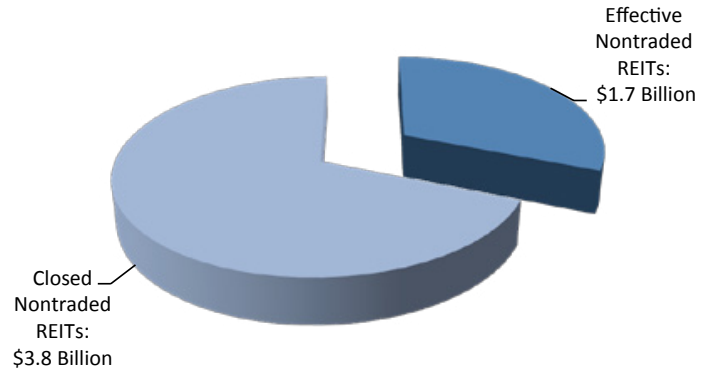


## Overall Industry Summary

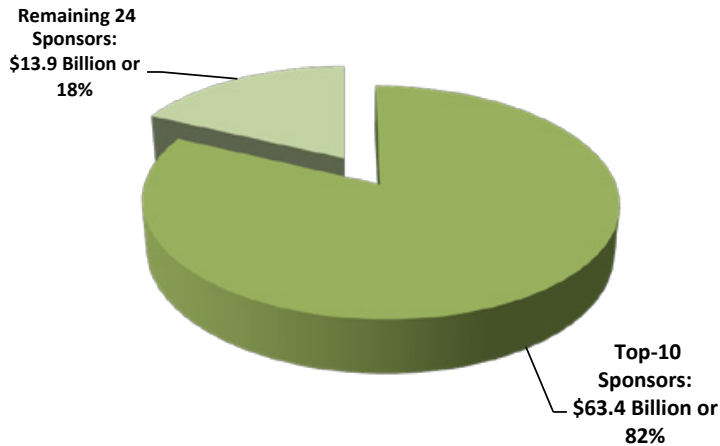
**Total Nontraded REIT Industry Assets: \$77.3 Billion**  
as of June 30, 2013



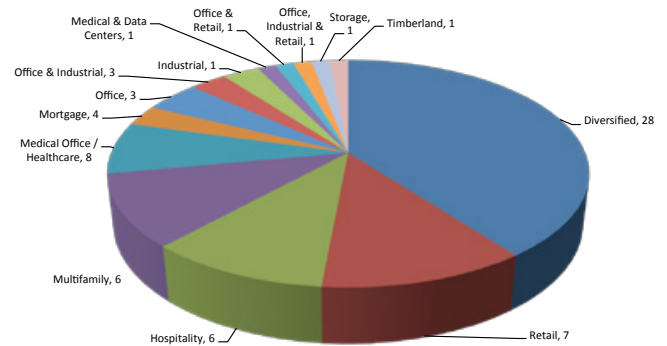
**Total Nontraded REIT Industry Cash & Equivalents: \$5.5 Billion**



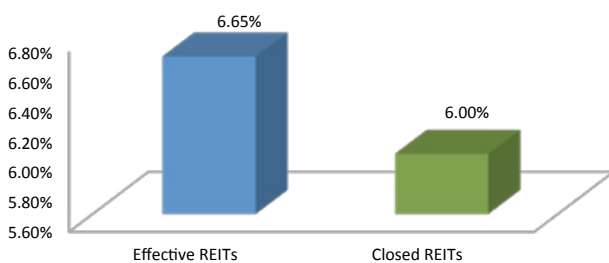
**Top-10 Nontraded REIT Sponsor Market Share**  
as of June 30, 2013



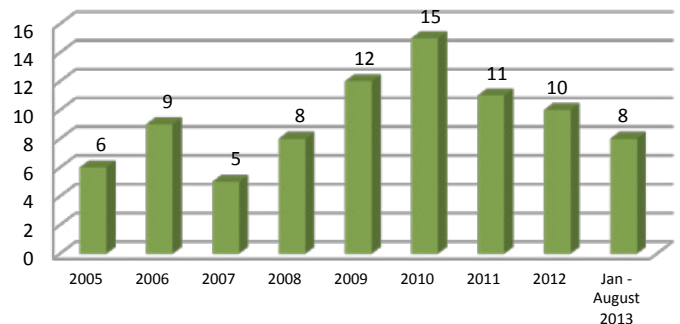
**Breakdown of Nontraded REIT Asset Types**



**Effective vs. Closed Nontraded REITs: Median Distribution Yield Comparison 2Q 2013**



**New Product Introductions Since 2005**  
Year-to-Date through August 31, 2013



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## Emerging LifeStage REITs

Emerging LifeStage REITs	Total Assets (in \$ millions)	Cash to Total Assets ratio	Number of Properties / Investments	Current Distribution Yield	Current Debt to Total Assets ratio	YTD FFO Payout Ratio	YTD MFFO Payout Ratio Blue Vault Estimated	YTD MFFO Payout Ratio Company Reported	YTD Interest Coverage
American Realty Capital Daily Net Asset Value, Inc.	\$28.1	3.4%	9	Retail Share: 6.26% Instit. Share: 6.34%	57.8%	109%	98%	98%	1.6
American Realty Capital Global Trust, Inc.	\$50.9	55.2%	3	7.10%	20.1%	NM	183%	183%	3.7
American Realty Capital Healthcare Trust II, Inc.	\$26.0	65.6%	2	6.80%	NA	NM	94%	94%	NA
ARC Realty Finance, Inc.	\$4.2	4.8%	1	8.25%	46.0%	NM	NM	NM	NM
Cole Real Estate Income Strategy (Daily NAV), Inc.	\$58.8	4.9%	20	5.35%	28.5%	177%	106%	NR	2.8
Corporate Property Associates 18 – Global, Inc.	\$3.3	6.1%	0	Class A: 6.2% Class C: 5.6%	NA	NA	NA	NA	NA
Inland Real Estate Income Trust, Inc.	\$34.4	3.5%	13	6.00%	68.8%	NM	NM	NR	0.3
MVP REIT, Inc.	\$13.6	2.8%	3	6.70%	42.0%	NM	NM	NM	NM
NorthStar Healthcare Income Trust, Inc.	\$2.8	7.7%	1	6.75%	NA	23%	23%	23%	NA
NorthStar Real Estate Income II, Inc.	\$0.2	100.0%	0	NA	NA	NA	NA	NA	NA
Plymouth Opportunity REIT, Inc.	\$2.1	28.6%	2	0.15 shares per share	NA	NA	NA	NA	NA
RREEF Property Trust	\$17.8	3.2%	2	4.96%	37.6%	NM	NM	NR	NM
United Realty Trust, Inc.	\$25.0	0.1%	2	7.37%	57.9%	NM	NM	NR	NM
<b>MEDIAN*</b>	<b>\$17.8</b>	<b>4.9%</b>	<b>2</b>	<b>6.34%</b>	<b>44.0%</b>	<b>109%</b>	<b>98%</b>	<b>96%</b>	<b>2.2</b>
<b>AVERAGE*</b>	<b>\$20.6</b>	<b>22.0%</b>	<b>4</b>	<b>6.44%</b>	<b>44.8%</b>	<b>103%</b>	<b>101%</b>	<b>99%</b>	<b>2.1</b>
<b>MINIMUM*</b>	<b>\$0.2</b>	<b>0.1%</b>	<b>0</b>	<b>4.96%</b>	<b>20.1%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>	<b>0.3</b>
<b>MAXIMUM*</b>	<b>\$58.8</b>	<b>100.0%</b>	<b>20</b>	<b>8.25%</b>	<b>68.8%</b>	<b>177%</b>	<b>183%</b>	<b>183%</b>	<b>3.7</b>

\*Among those REITs that have data during this period

# Nontraded REIT Industry Review: Second Quarter 2013



## Growth LifeStage REITs

Growth LifeStage REITs	Total Assets (in \$ millions)	Cash to Total Assets ratio	Number of Properties / Investments	Current Distribution Yield	Current Debt to Total Assets ratio	YTD FFO Payout Ratio	YTD MFFO Payout Ratio Blue Vault Estimated	YTD MFFO Payout Ratio Company Reported	YTD Interest Coverage
American Realty Capital - Retail Centers of America, Inc.	\$58.9	9.2%	2	6.40%	58.9%	293%	101%	101%	1.2
American Realty Capital Trust V, Inc.	\$360.7	95.9%	2	6.60%	NA	NA	NA	NA	NA
Bluerock Enhanced Multifamily Trust, Inc.	\$159.2	1.1%	7	7.00%	70.0%	NM	NM	NM	1.1
CNL Healthcare Trust, Inc.	\$466.5	11.8%	35	7.00%	36.4%	1019%	157%	157%	1.3
Cole Credit Property Trust IV, Inc.	\$1,279.0	1.0%	178	6.25%	53.0%	NM	77%	NR	2.8
Hartman Short Term Income Properties XX, Inc.	\$53.4	0.2%	4	7.00%	30.8%	395%	256%	256%	2.1
KBS Legacy Partners Apartment REIT, Inc.	\$376.6	9.2%	9	6.50%	64.7%	770%	181%	181%	1.8
Lightstone Value Plus Real Estate Invest Trust II, Inc.	\$75.2	13.7%	7	6.50%	23.0%	155%	116%	116%	7.3
Moody National REIT I, Inc.	\$43.4	13.0%	3	8.00%	58.6%	296%	98%	88%	2.6
Resource Real Estate Opportunity REIT	\$288.8	25.9%	20	6.00%**	3.4%	NM	716%	139%	5.4
<b>MEDIAN*</b>	<b>\$224.0</b>	<b>10.5%</b>	<b>7</b>	<b>6.55%</b>	<b>53.0%</b>	<b>346%</b>	<b>137%</b>	<b>139%</b>	<b>2.1</b>
<b>AVERAGE*</b>	<b>\$316.2</b>	<b>18.1%</b>	<b>27</b>	<b>6.73%</b>	<b>44.3%</b>	<b>488%</b>	<b>213%</b>	<b>148%</b>	<b>2.9</b>
<b>MINIMUM*</b>	<b>\$43.4</b>	<b>0.2%</b>	<b>2</b>	<b>6.25%</b>	<b>3.4%</b>	<b>155%</b>	<b>77%</b>	<b>88%</b>	<b>1.1</b>
<b>MAXIMUM*</b>	<b>\$1,279.0</b>	<b>95.9%</b>	<b>178</b>	<b>8.00%</b>	<b>70.0%</b>	<b>1019%</b>	<b>716%</b>	<b>256%</b>	<b>7.3</b>

\*Among those REITs that have data during this period

\*\*Includes cash and stock distributions

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## Stabilizing LifeStage REITs

Stabilizing LifeStage REITs	Total Assets (in \$ millions)	Cash to Total Assets ratio	Number of Properties / Investments	Current Distribution Yield	Current Debt to Total Assets ratio	YTD FFO Payout Ratio	YTD MFFO Payout Ratio Blue Vault Estimated	YTD MFFO Payout Ratio Company Reported	YTD Interest Coverage
Apple REIT Ten, Inc.	\$741.0	8.7%	35	7.50%	10.8%	131%	120%	120%	11.1
American Realty Capital New York Recovery REIT, Inc.	\$760.8	33.9%	17	6.05%	33.2%	87%	125%	125%	3.6
Carey Watermark Investors, Inc.	\$618.9	15.1%	16	6.00%**	48.0%	NM	72%	72%	2.2
Carter Validus Mission Critical REIT	\$660.3	6.6%	22	7.00%	34.0%	99%	98%	98%	3.5
CNL Growth Properties, Inc.	\$180.2	13.6%	9	.08 shares per share	42.9%	NA	NA	NA	1.3
Cole Corporate Income Trust, Inc.	\$963.5	2.0%	35	6.50%	44.8%	NM	88%	NR	3.1
Dividend Capital Diversified Property Trust, Inc.	\$2,311.6	1.4%	84	5.12%	58.3%	72%	81%	71%	2.3
Griffin Capital Essential Asset REIT, Inc.	\$550.0	0.5%	20	6.75%	59.1%	444%	95%	95%	2.5
Griffin-American Healthcare REIT II, Inc.	\$1,875.5	13.6%	174	6.65%	18.4%	103%	97%	97%	6.8
Hines Global REIT, Inc.	\$3,160.2	3.7%	37	6.50%	57.2%	NM	96%	96%	2.1
Industrial Income Trust Inc.	\$2,821.4	0.8%	273	6.25%	45.7%	131%	103%	103%	2.8
Jones Lang Lasalle Income Property Trust, Inc.	\$873.4	2.4%	35	3.95%	52.6%	36%	57%	NR	2.3
KBS Real Estate Investment Trust III, Inc.	\$760.7	4.3%	11	6.50%	53.1%	202%	117%	117%	4.2
Phillips Edison - ARC Shopping Center REIT, Inc.	\$730.0	8.5%	46	6.70%	28.2%	174%	77%	77%	3.9
Steadfast Income REIT, Inc.	\$832.7	5.4%	39	7.00%	67.1%	438%	106%	106%	1.6
Strategic Storage Trust, Inc.	\$643.3	5.3%	110	7.00%	54.2%	195%	180%	180%	2.0
<b>MEDIAN*</b>	<b>\$760.7</b>	<b>5.4%</b>	<b>35</b>	<b>6.50%</b>	<b>46.9%</b>	<b>131%</b>	<b>97%</b>	<b>98%</b>	<b>2.7</b>
<b>AVERAGE*</b>	<b>\$1,155.2</b>	<b>7.9%</b>	<b>60</b>	<b>6.36%</b>	<b>44.2%</b>	<b>176%</b>	<b>101%</b>	<b>104%</b>	<b>3.5</b>
<b>MINIMUM*</b>	<b>\$180.2</b>	<b>0.5%</b>	<b>9</b>	<b>3.95%</b>	<b>10.8%</b>	<b>36%</b>	<b>57%</b>	<b>71%</b>	<b>1.3</b>
<b>MAXIMUM*</b>	<b>\$3,160.2</b>	<b>33.9%</b>	<b>273</b>	<b>7.50%</b>	<b>67.1%</b>	<b>444%</b>	<b>180%</b>	<b>180%</b>	<b>11.1</b>

\*Among those REITs that have data during this period

\*\*Includes cash and stock distributions

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## Maturing LifeStage REITs

Maturing LifeStage REITs	Total Assets (in \$ millions)	Cash to Total Assets ratio	Number of Properties / Investments	Current Distribution Yield	Current Debt to Total Assets ratio	YTD FFO Payout Ratio	YTD MFFO Payout Ratio Blue Vault Estimated	YTD MFFO Payout Ratio Company Reported	YTD Interest Coverage
American Realty Capital Healthcare Trust, Inc.	\$1,724.5	49.4%	70	6.80%	12.5%	202%	177%	177%	4.5
American Realty Capital Trust IV, Inc.	\$1,529.8	17.1%	585	6.60%	0.1%	NM	289%	289%	42.0
Behringer Harvard Multifamily REIT I, Inc.	\$2,681.3	12.8%	54	3.50%	35.0%	106%	106%	106%	4.1
Behringer Harvard Opportunity REIT II	\$415.6	16.5%	12	NA	52.6%	NA	NA	NA	1.6
CNL Lifestyle Properties, Inc.	\$2,891.9	3.1%	177	4.25%	40.4%	150%	150%	150%	2.0
Cornerstone Core Properties REIT, Inc.	\$90.4	4.1%	12	NA	54.5%	NA	NA	NA	0.2
Corporate Property Associates 16 - Global, Inc.	\$3,275.0	2.1%	490	6.71%	52.0%	90%	73%	73%	2.5
Corporate Property Associates 17 - Global, Inc.	\$4,480.1	14.0%	407	6.50%	38.6%	122%	139%	139%	3.1
Global Income Trust, Inc.	\$126.6	9.2%	9	6.50%	57.1%	114%	119%	119%	2.0
Hines Real Estate Investment Trust, Inc.	\$2,536.1	3.0%	45	4.00%	45.9%	53%	93%	93%	5.1
Inland American Real Estate Trust, Inc.	\$9,814.7	3.0%	565	5.00%	53.7%	91%	93%	NR	2.7
Inland Diversified Real Estate Trust, Inc.	\$2,348.6	1.5%	142	6.00%	52.6%	78%	81%	81%	2.7
KBS Real Estate Investment Trust, Inc.	\$1,944.5	12.6%	459	NA	52.5%	NA	NA	NA	1.4
KBS Real Estate Investment Trust II, Inc.	\$3,086.1	3.3%	35	6.50%	52.9%	95%	103%	103%	3.5
KBS Strategic Opportunity REIT, Inc.	\$687.6	13.5%	20	NA	25.7%	66%	84%	NR	7.9
Landmark Apartment Trust of America, Inc.	\$1,003.8	0.4%	42	3.00%	73.7%	NM	31%	30%	0.3
Lightstone Value Plus Real Estate Investment Trust, Inc.	\$724.6	10.0%	38	7.00%	40.4%	45%	113%	113%	3.8
NorthStar Real Estate Income Trust, Inc.	\$1,523.9	14.6%	37	8.00%	23.0%	139%	111%	111%	4.8
Sentio Healthcare Properties, Inc.	\$226.0	7.5%	20	5.00%	63.8%	49%	53%	53%	2.4
TNP Strategic Retail Trust, Inc.	\$269.5	0.2%	20	NA	68.6%	NM	NM	242%	0.6
United Development Funding IV	\$557.8	27.9%	89	8.20%	2.2%	121%	108%	108%	20.9
Wells Core Office REIT, Inc.	\$687.5	1.1%	13	6.00%	40.4%	109%	119%	82%	3.3
Wells Timberland REIT, Inc.	\$347.2	3.8%	1	NA	38.1%	NA	NA	NA	0.8
<b>MEDIAN*</b>	<b>\$1,523.9</b>	<b>7.5%</b>	<b>42</b>	<b>6.50%</b>	<b>45.9%</b>	<b>101%</b>	<b>107%</b>	<b>108%</b>	<b>2.7</b>
<b>AVERAGE*</b>	<b>\$1,868.4</b>	<b>10.0%</b>	<b>145</b>	<b>5.86%</b>	<b>42.4%</b>	<b>104%</b>	<b>113%</b>	<b>122%</b>	<b>5.3</b>
<b>MINIMUM*</b>	<b>\$90.4</b>	<b>0.2%</b>	<b>1</b>	<b>3.00%</b>	<b>0.1%</b>	<b>45%</b>	<b>31%</b>	<b>31%</b>	<b>0.2</b>
<b>MAXIMUM*</b>	<b>\$9,814.7</b>	<b>49.4%</b>	<b>585</b>	<b>8.20%</b>	<b>73.7%</b>	<b>202%</b>	<b>289%</b>	<b>289%</b>	<b>42.0</b>

\*Among those REITs that have data during this period



# Nontraded REIT Industry Review: Second Quarter 2013



## Liquidating LifeStage REITs

Liquidating LifeStage REITs	Total Assets (in \$ millions)	Cash to Total Assets ratio	Number of Properties / Investments	Current Distribution Yield	Current Debt to Total Assets ratio	YTD FFO Payout Ratio	YTD MFFO Payout Ratio Blue Vault Estimated	YTD MFFO Payout Ratio Company Reported	YTD Interest Coverage
<b>Apple REIT Seven, Inc.</b>	\$827.6	0.0%	51	6.00%	25.4%	98%	98%	NR	7.3
<b>Apple REIT Eight, Inc.</b>	\$904.1	0.0%	51	4.25%	31.1%	108%	108%	NR	4.1
<b>Apple REIT Nine, Inc.</b>	\$1,509.2	0.0%	89	7.55%	12.1%	112%	112%	107%	15.5
<b>Behringer Harvard Opportunity REIT, Inc.</b>	\$334.9	11.3%	12	NA	41.9%	NA	NA	NA	NM
<b>Columbia Property Trust</b>	\$5,603.4	1.1%	61	3.80%	29.6%	93%	108%	NR	3.0
<b>Paladin Realty Income Properties, Inc.</b>	\$203.0	6.2%	13	6.00%	76.1%	156%	156%	156%	1.5
<b>Tier REIT, Inc.</b>	\$2,912.7	1.2%	44	NA	67.4%	NA	NA	NA	2.0
<b>MEDIAN*</b>	<b>\$904.1</b>	<b>1.1%</b>	<b>51</b>	<b>6.00%</b>	<b>31.1%</b>	<b>108%</b>	<b>108%</b>	<b>132%</b>	<b>3.5</b>
<b>AVERAGE*</b>	<b>\$1,756.4</b>	<b>2.8%</b>	<b>46</b>	<b>5.52%</b>	<b>40.5%</b>	<b>113%</b>	<b>116%</b>	<b>132%</b>	<b>5.6</b>
<b>MINIMUM*</b>	<b>\$203.0</b>	<b>0.0%</b>	<b>12</b>	<b>3.80%</b>	<b>12.1%</b>	<b>93%</b>	<b>98%</b>	<b>107%</b>	<b>1.5</b>
<b>MAXIMUM*</b>	<b>\$5,603.4</b>	<b>11.3%</b>	<b>89</b>	<b>7.55%</b>	<b>76.1%</b>	<b>156%</b>	<b>156%</b>	<b>156%</b>	<b>15.5</b>

\*Among those REITs that have data during this period

## Top Line Assessment of the Nontraded REIT Industry – 2nd Quarter 2013

The nontraded REIT industry continues to break records and exceed expectations as sponsors raised 96% more from investors in 2Q 2013 than they did during 2Q 2012. In addition, new capital received from investors during the first half of 2013 totaled \$8.8 billion, more than the total capital raised in all of 2011. Driven primarily by the full-cycle events that have occurred to date, the industry is on pace to raise at least \$15 billion for the year.

Given the accelerated pace of fundraising, one would expect that the industry would have difficulty placing the capital quickly. However, acquisitions have maintained a steady pace and are in line with the overall commercial real estate sector. In fact, according to Real Capital Analytics, commercial property transaction activity for the first half of the year was up over 25% compared to 2012. Transaction activity during the first half of the year within the nontraded REIT industry has been even higher with a 38% increase in acquisition volume. In terms of actual dollars, real property purchases through June 30, 2013 totaled \$7.9 billion compared to \$5.8 billion purchased during the first six months of 2012.

Nontraded REITs have also been the key topic of conversation among its publicly traded REIT peers as a result of the unprecedented number of full-cycle events that have occurred and announced year to date. With six deals valued at \$12.8 billion having been completed through August 2013 and five more expected to be completed by the end of the year, total industry assets are expected to decline back to 2009 levels by early 2014.

### Key Nontraded REIT Trends

- **Acquisitions** – Transactions for 2Q 2013 increased to \$5.1 billion, 76% greater compared to 1Q 2013 and roughly \$2.5 billion more than 2Q 2012.
- **Dispositions** – Real property sales by nontraded REITs totaled \$1.5 billion in 2Q 2013, a slight increase from the \$1.1 billion sold in 1Q 2013 and a 223% increase compared to 2Q 2012.
- **Most Active REITs** – The five most active REITs acquiring properties were responsible for \$3.0 billion of real property purchases representing 59% of all transactions that occurred during 2Q 2013. The five most active REITs disposing of properties during 2Q 2013 were responsible for 95% of all transactions.
- **Capital Raise** – Nontraded REITs raised \$4.9 billion in 2Q 2013, up by roughly 104% compared to the \$2.4 billion raised during 2Q 2012 and up \$1.0 billion and a 26% increase over 1Q 2013.
- **New Offerings** – Eight new offerings have been introduced through August 2013 with two out of the eight being managed by “first-time” nontraded REIT sponsors.
- **Full-Cycle Events** – Six full-cycle events were completed during the first eight months of 2013 with three having been acquired by a third-party entity and three having listed directly on a national stock exchange.

This issue of the Nontraded REIT Industry Review will focus on the Retail sector and offers detailed commentary for thirteen REITs that focus primarily on purchasing

retail properties or own a significant amount of retail assets within their portfolios. In addition, a discussion of the full-cycle events completed by Cole Credit Property Trust II, Inc., Cole Credit Property Trust III, Inc. and Independence Realty Trust can be found at the back of the report.

### Capital Market Overview

As both private and foreign investors have returned to the U.S. looking to purchase commercial real estate investments, that same optimism has spilled over to the retail sector as individual investors are investing unprecedented amounts of capital into nontraded REITs. And as long as the industry continues to generate good news and consistently return capital to investors via full-cycle events, this trend may well continue into 2014.

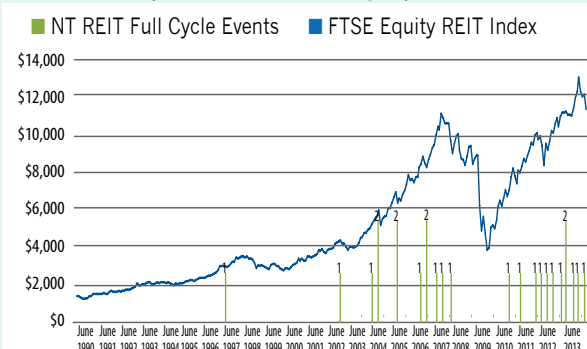
The year 2013 has already seen more announced full-cycle events for nontraded REITs than any previous year. To date, six nontraded REITs have completed liquidity events and five more have made public announcements that they intend to do so by the end of the year. With less than four months remaining, 2013 will produce as many liquidity events as the previous five years combined.

But what makes 2013 so special? First, we should recognize that the industry has seen a record number of nontraded REITs enter the Maturing and Liquidating LifeStages. As of June 30, there were a total of 30 REITs which accounted for 72% of the total industry assets. And of those 30

, seven were classified in the “Liquidating” LifeStage, positioning their portfolios for listing, sale or merger.

Besides the obvious signs related to LifeStage transition, if we dissect the broader REIT industry, we are able to identify additional market trends to help explain the surge in full cycle announcements. For example, looking back at all of the full cycle events which have occurred in the nontraded REIT industry since its inception, it is interesting to plot the timing of those full cycle events against the backdrop of equity REIT performance in general. We can use the FTSE NAREIT Equity REIT Index as a proxy for market valuations of REIT shares. In the chart below, it is clear that the number of full cycle events taking place in the nontraded REIT space is related to market valuations for the traded REITs. A simple observation might be that nontraded REIT sponsors are more likely to announce liquidity events in a strong REIT market than in a weaker valuation environment. That certainly makes intuitive sense.

NT REIT Full Cycle Events & FTSE Equity REIT Index



At first glance, it appears that sponsors were able to “time the market” and avoided going full-cycle when their portfolio valuations were lower. To further test this idea, through the period ending June 30, 2013, we examined the 12-month trend in the FTSE index both prior to and after the full cycle events for 18 REITs for which both periods can be calculated. The average annual increase in the index immediately prior to the full cycle events was 23.4%, while the average increase after the events was 9.9%. Of the REITs in the sample, five timed their full cycle events to avoid a subsequent 12-month loss in the index, and 12 of 18 timed their events such that the prior 12-month return on the index exceeded the returns during the following year. The probability that 12 of 18 REITs would successfully time their liquidity events in such a way by chance is only about 12%.

Even allowing for the small sample size, it is interesting to consider that the bumper crop of full cycle events among nontraded REITs in 2013 might be related in some way to sponsors taking advantage of current market conditions to “strike while the iron is hot.” And for those sponsors that have, the capital flowing back into their open offerings has also been record breaking. Of particular note are AR Capital and Cole Capital. As the top two fundraising sponsors, these two companies were responsible for raising over 50% of all capital during the first half of the year with AR Capital raising over 42% alone. In terms of individual REITs, the top-5 nontraded REITs noted below raised over 50% of all new capital during the first half of the year.

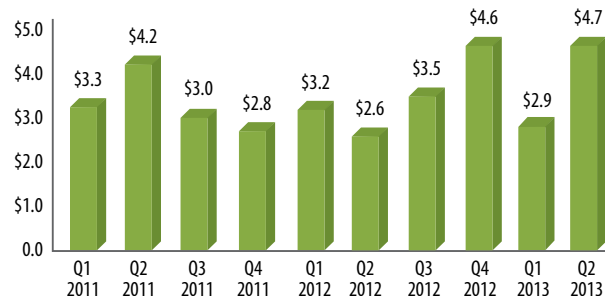
1. American Realty Capital Trust IV, Inc.	\$1,477.8 million
2. American Realty Capital Healthcare Trust, Inc.	\$1,247.0 million
3. Griffin-American Healthcare REIT II, Inc.	\$719.4 million
4. Industrial Income Trust Inc.	\$533.4 million
5. NorthStar Real Estate Income Trust, Inc.	\$473.6 million

## Acquisitions

As a result of the significant capital raise, acquisitions volumes are also breaking new records. As noted in the chart below, nontraded REITs (both open and closed) purchased approximately \$4.7 billion of commercial real estate properties during the three months ending June 30. This represents a 62% increase over the prior quarter and a 81% increase over 2Q 2012.

During 2Q 2013, 37 nontraded REITs were active in acquisitions compared to 29 during 1Q 2013. Five REITs which did the greatest volume of acquisition transactions were responsible for roughly 57% of the total.

**Nontraded REIT Real Property Acquisitions by Quarter**  
as of June 30, 2013 (in \$ Billions)



## The five most active nontraded REITs in terms of acquisitions during 2Q 2013 were:

1. American Realty Capital Trust IV, Inc.	\$916.0 million
2. Cole Corporate Income Trust, Inc.	\$539.3 million
3. Hines Global REIT, Inc.	\$510.7 million
4. Industrial Income Trust, Inc.	\$448.2 million
5. KBS Real Estate Investment Trust III, Inc.	\$266.5 million

## Dispositions

We continue to note that due to the increase in the number of nontraded REITs transitioning into the Maturing and Liquidating LifeStages during the first half of the year, we continue to see large increases in both the number and volume of commercial properties being sold. During the second quarter, there were 14 REITs that were actively disposing of properties with the top-5 representing 92% of the total volume in terms of dollars.

## The five nontraded REITs representing 92% of the total volume in terms of dollars during 2Q 2013 were:

1. Inland American Real Estate Trust, Inc.	\$667.7 million
2. Hines Real Estate Investment Trust, Inc.	\$455.2 million
3. Behringer Harvard Multifamily REIT I, Inc.	\$139.3 million
4. Dividend Capital Diversified Property Trust, Inc.	\$111.4 million
5. Behringer Harvard Opportunity REIT II	\$40.4 million

## Retail Sector Overview

All eyes are on consumer spending to continue to lead the U.S. economy out of the worst recession since the Great Depression. Per a recent report by Marcus & Millichap, since the recession, core retail sales have jumped by approximately 20 percent and are now 13 percent above their pre-recession peak.

And in terms of retail properties, while demand for retail

locations has only increased by about 2.4%, according to Real Capital Analytics, this sector of the commercial real estate market has had the biggest increase in volume and price appreciation with anchored shopping centers up 12% in price and home-improvement stores, auto retailers and fast-casual restaurant's "paving the way for retail's recovery"<sup>1</sup>. Additionally, recent survey results published by PriceWaterhouseCoopers indicates that national retail cap rates are between 6 and 7 percent while Regional Malls have the lowest cap rates at 6.5% and strip centers have the highest with 6.95%.

## As retail property types are varied, the following is a brief overview with descriptions:

- **Mall** – the largest properties with multiple anchors and a broad assortment of shops. Malls are predominantly owned by a few traded REITs and institutional owners.
- **Big Box** – large shopping centers with only a few, three to seven, very large retailers.
- **Lifestyle** – a combination of mall and big box tenancy in an outdoor, car and pedestrian friendly setting that can include town squares and other community friendly amenities.
- **Grocery Anchored** – a shopping center built around a chain grocery store. The center sometimes includes a drug store as well or other smaller anchor tenants.
- **Strip Center** – smaller, unanchored retail centers with two to ten tenants.
- **Free Standing/Single Tenant** – typically banks, drug stores and fast food restaurants generally located on the edges of grocery anchored and larger shopping centers including the corners of intersections.
- **Pad Site** – small land parcels upon which single tenant facilities are built.

Retail construction volume remains low as lending for new construction projects remains difficult to obtain. This trend is expected to continue for the next few years as developers focus on redevelopment of existing properties in order to attract and retain tenants. However, this slow down in construction has also been good for the industry and will enable the retail sector to recover as tenants are finding it difficult to relocate to new properties which in turn are resulting in higher rents and occupancy levels in the more desirable locations and centers.

Of the 72 REITs reviewed during 2Q 2013, there were thirteen companies with significant investments in retail properties. In addition to the commentary at the end of this report outlining the full cycle events completed by Cole Credit Properties Trust II and Cole Credit Properties Trust III, for those nontraded REITs that were highly active in acquiring and disposing of properties, the following are significant events of note.

AR Capital, sponsor of three open nontraded REITs that primarily invest in single-tenant, net-lease properties, announced that it plans to shift its focus away from the sector. Based on a belief that the markets are shifting, the Company has begun to turn its attention to other sectors that will allow for more growth over the coming years. In addition, the following are specific highlights on the two largest nontraded REITs currently managed by the firm:

### American Realty Capital Trust IV, Inc.

- Between June 2012 and April 2013, the Company raised over \$1.7 billion in capital from new investors.
- Subsequent to June 30, 2013, the Company acquired 913 total properties from GE Capital totaling approximately 3.2 million rentable square feet for a contract purchase price of \$1.35 billion, exclusive of closing costs.
- On July 1, 2013, the Company entered into an Agreement and Plan of Merger with American Realty Capital Properties, Inc. Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, each outstanding share of common stock of the Company will be converted into the right to receive (i) \$30.00 in cash, but in no event will the aggregate consideration paid in cash be paid on more than 25% of the shares of Company Common Stock issued and outstanding as of immediately prior to the closing of the Merger or, in ARCP's discretion, (ii) either (A) a number of shares of ARCP common stock equal to the Exchange Ratio or (B) only if the ARCP Market Price is less than \$14.94, 2.05 shares of ARCP Common Stock and an amount in cash equal to the product obtained by multiplying the excess of the Exchange Ratio over 2.05 by the ARCP Market Price.

### American Realty Capital Trust V, Inc.

- On August 9, 2013, the Company announced that it planned to purchase a \$1.45 billion, 247-property portfolio of net-lease properties from Inland American Real Estate Trust Inc.
- On August 30, 2013, the Company disclosed that within only two months of being declared effective by the SEC, it had raised approximately \$1.2 billion of its \$1.7 billion offering of common stock and that the offering will close on September 18, 2013.

### Other significant investments in retail properties among nontraded REITs:

#### Phillips Edison – ARC Shopping Center REIT Inc.

- As of June 30, 2013, the Company owned fee simple interests in 46 real estate properties, 20 of which the Company owned through a joint venture with a group of international investors advised by CBRE Investors Global Multi-Managers.
- During the first six months of 2013, the Company acquired 20 grocery-anchored shopping centers totaling approximately 2.4 million square feet for an aggregate purchase price of \$343.6 million.
- Subsequent to the end of the quarter, the Company acquired six grocery-anchored shopping centers for an aggregate purchase price of \$95.7 million.

#### Cole Credit Property Trust IV, Inc.:

- As of June 30, 2013, the Company owned 178 properties and had \$1.28 billion in total assets.
- During the first six months of 2013, the Company acquired 89 properties representing 3.3 million square feet for a total purchase price of \$717.7 million.
- Between July 27, 2013 and August 23, 2013, the Company acquired 16 properties for an aggregate purchase price of \$54.8 million.

<sup>1</sup> National Real Estate Investor, "Time to Buy Retail Properties?," August 22, 2013

## **Inland American Real Estate Trust, Inc.**

- Acquired 396,000 square feet of retail space year to date 2013 for \$67.9 million.
- Sold approximately 1,081,000 square feet in 216 retail properties year to date 2013 for approximately \$373 million.
- On August 8, 2013, the Company entered into an equity interest purchase agreement with AR Capital, LLC, to sell its core net lease assets, including 294 properties in an all-cash transaction valued at approximately \$2,300,000.

## **Blue Vault Partners 2013 Nontraded REIT Full-Cycle Performance Study Preview**

In October 2013, Blue Vault Partners in conjunction with the University of Texas McCombs School of Business will publish its second white paper examining the full cycle performance results of the nontraded REITs. Led by Jay C. Hartzell, Chair of the Department of Finance and Executive Director of the Real Estate Finance and Investment Center, this project compliments previous research Dr. Hartzell has published on real estate investment trusts and alternative means of benchmarking real estate mutual fund performance.

While the first study analyzed data for 17 nontraded REITs that experienced full-cycle liquidity events between 1990 and May 2012, the 2013 report will include results for a total of 26 companies. Along with providing performance results for nine additional nontraded REITs that have recently completed full-cycle events, the updated study will also attempt to provide new insights:

- Compare the return differences of the non-traded REITs to the actual indices (NAREIT, NCREIF).
- Compare the returns of investors who redeemed shares prior to full-cycle events to those who received liquidity as a result of the full-cycle event.
- Compare the time lags involved in net asset values (NAVs) determined by appraisals versus traded REIT values and measure how well traded REIT values forecast NAVs.
- Compare the returns of nontraded REITs by type of full-cycle event (listing, merger, liquidation).
- Include a comparison of nontraded REIT returns to traditional benchmarks such as stocks and bonds.

Furthermore, notable items on the entire data set being examined will include:

- A decline in the amount of time between nontraded REITs being declared effective by the SEC and completing a full-cycle liquidity event from 3.75 years to 23 months.
- An increase in the number of nontraded REITs that listed their stock on a public exchange from five to nine.
- A comparison of individual nontraded REIT returns to custom benchmarks based on institutional and public commercial real estate returns adjusted for leverage, property type and geographic location.
- Return analysis based on an investment made during the beginning, middle and end of the capital raising period to determine if there were timing effects.

As part of an ongoing effort to increase the awareness and education of nontraded REITs, this study was designed to provide a better understanding of the long-term returns, risks and rewards associated with these types of real estate offerings. Additional details regarding the actual release date will be made available in the coming weeks.



American Realty Capital – Retail Centers of America, Inc. was declared effective by the SEC in March 2011 and invests primarily in existing anchored, stabilized core retail properties, including power centers, lifestyle centers, large formatted centers with a grocery store component (with a purchase price in excess of \$20.0 million) and other need-based shopping centers which are located in the United States. As of the end of the second quarter 2013, the REIT had \$58.9 million in total assets and owned 2 properties.

The REIT is in the Growth Lifestage of effective REITs that is marked 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

- The Company purchased its first property and commenced active operations in June 2012.
- The Company extended the offering period to March 2014.
- In August 2013, the Company announced that it intends to purchase a retail property in Kansas City, Mo., for approximately \$53.5 million, exclusive of closing costs.

### Capital Stack Review

- Debt Ratio – The Company’s debt to total assets ratio declined significantly to 58.9% as of 2Q 2013 compared to 81.4% in 1Q 2013.
- Debt Maturity – 83.5% of the Company’s debt is due to mature in 2018 or later and is up from 37.5% reported in 1Q 2013.
- Debt Breakdown – 100% of the Company’s debt is fixed rate with a weighted average interest rate of 4.67%.
- Loan Activity – There were no liabilities assumed during the six months ended June 30, 2013.
- Cash on Hand – 9.2% cash to total assets ratio is up slightly from the 7.5 ratio reported in 1Q 2013.

### Metrics

- Distribution – The Company has consistently paid distributions at an annualized rate of 6.40% since 2Q 2012.
- Distribution Source – Cash distributions paid for the six months ending June 30, 2013 were funded with cash flows provided by operations.
- MFFO Payout Ratio – The YTD payout ratio of 101% as of 2Q 2013 has improved from the ratio of 128% which was reported as of 4Q 2012.
- Fee Waivers and Deferrals – The Advisor has elected to waive its asset and property management fees of approximately \$14,000 and \$9,000 for the three months ended June 30, 2013 and 2012, respectively.
- Interest Coverage Ratio – The Company’s interest coverage ratio has remained stable at 1.2x during the first half of 2013 and is below median compared to other Growth LifeStage REITs.
- Impairments – None.

### Real Estate Portfolio

- Acquisitions – There were no assets acquired during the six months ended June 30, 2013
- Dispositions – None.
- Occupancy – The portfolio has been 95.1% leased during the first half of 2013.
- Lease Expirations – The average weighted remaining lease term for the two properties owned as of 2Q 2013 was 4.9 years.
- Tenant Diversification – The Company has two tenants that generate 12% or more each of total annualized rental income. They are The Container Store, Inc. and Toys “R” Us, Inc.
- Geographic Diversification – 100% of the properties owned are located in Texas.

### Cash Flow Analysis:

- Operating Cash Flow – Increased each quarter, reaching \$1.1 million in 2Q 2013.
- Net Cash Flow – Totaled \$5.4 million over last four quarters due to no acquisitions YTD 2013.
- Outlook – From inception to July 31, 2013 the REIT had raised \$33.3 million. With the \$53.5 million planned purchase of Tiffany Springs Markcenter in Kansas City, the REIT will need to increase borrowing by approximately \$38 million, raising its debt ratio to 70% vs. the median for Growth LifeStage REITs of 44.7%.

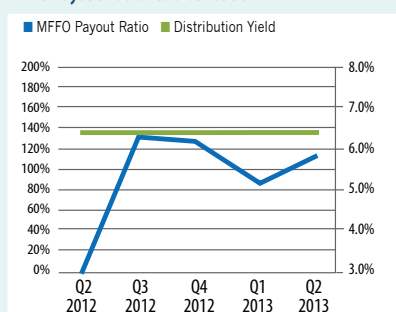
### Additional nontraded REITs currently managed by AR Capital:

American Realty Capital Daily Net Asset Value, Inc.  
 American Realty Capital Global Trust, Inc.  
 American Realty Capital New York Recovery REIT, Inc.  
 American Realty Capital Trust IV, Inc.  
 American Realty Capital Trust V, Inc.  
 American Realty Capital Healthcare Trust, Inc.  
 American Realty Capital Healthcare Trust II, Inc.  
 ARC Realty Finance Trust, Inc.

### Nontraded REITs managed by AR Capital that have completed full-cycle events:

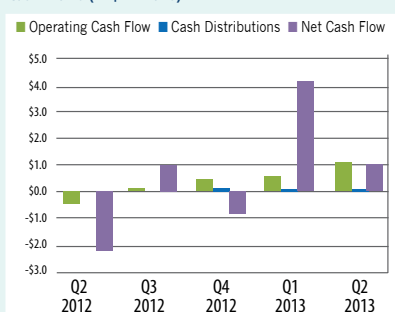
American Realty Capital Trust, Inc.  
 American Realty Capital Trust III, Inc.

MFFO Payout Ratio\* to Distribution

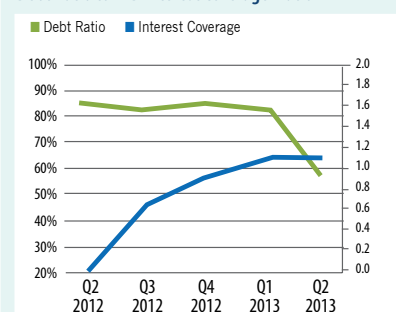


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio



American Realty Capital Trust IV, Inc. became effective in June 2012 and raised approximately \$1.7 billion in capital before closing to new investments in April 2013. The Company invests in a diversified portfolio of properties comprised primarily of freestanding single-tenant properties that are net leased to investment grade and other creditworthy tenants. The REIT's business is conducted through ARC Operating Partnership IV, LP. AR Capital, LLC, is the sponsor.

The REIT is in the Maturing LifeStage of closed REITs that is marked by a refinement of the portfolio through dispositions, strategic acquisitions and debt. The investment style of this REIT is considered to be "Core" which is 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 expected to exhibit a low level of volatility in asset values.

## Key Highlights

- On July 1, 2013, the Company entered into a Merger Agreement with American Realty Capital Properties (ARCP). Each outstanding share of the Company will be converted into the right to receive \$30.00 in cash (up to 25% of the Company's outstanding common stock) or 2.05 shares of ARCP if those shares are trading at \$14.94 or greater, or if the shares are lower than \$14.94, the number of shares obtained by dividing \$30.62 by the market price. The merger is expected to close in the third or fourth quarter of 2013.
- On June 27, 2013, the Company acquired the GE Capital Portfolio of 377 properties for \$528.2 million. The properties comprise 1.4 million rentable square feet.
- On July 31, 2013, the Company acquired an additional 536 GE Capital Portfolio properties for \$821.7 million, comprising 1.8 million rentable square feet. The acquisition of remaining GE Capital Portfolio properties is expected to close in the third quarter of 2013.
- On July 1, 2013, the board of directors voted to suspend the Company's DRIP, in accordance with the terms of the DRIP.

## Capital Stack Review

- Debt Ratio – The REIT had a debt to total asset ratio of 0.1%, with mortgage notes payable of only \$2.1 million and total assets of \$1,529.8 million as of June 30, 2013.
- Debt Maturity – The mortgage notes payable have a maturity date of April, 2018.
- Debt Breakdown – The mortgage notes payable have effective interest rates of 3.44%, fixed via hedges.
- Loan Activity – The Company entered into a \$750 million senior secured credit facility in June, 2013, with an accordion feature to increase the facility up to \$1.5 billion. As of June 30, 2013, the Company had not borrowed under the Credit Facility.
- Cash on Hand – The Company had \$261.5 million in cash or cash equivalents at June 30, 2013, or 17.1% of total assets.
- Redemptions --

## Metrics

- Distribution – The distribution was \$0.004520548 per day or 6.60% on an annualized basis for a \$25.00 share price.
- Distribution Source – For the six months ended 6/30/13, the distributions were funded 50.2% by common stock issuances and 49.8% by DRIP proceeds.
- Return of Capital --

- MFFO Payout Ratio – The \$31.5 million in distributions for the first half of 2013 were 289% of the MFFO for the period of \$9.2 million
- Fee Waivers and Deferrals – In connection with the Merger, the Advisor has agreed to waive a portion of the real estate commissions otherwise payable. The Advisor and the Company agreed that the Advisor will be entitled to a reduced real estate commission of \$8.4 million.
- Interest Coverage Ratio – 42x for YTD 2013.
- Impairments – None reported for YTD 2013.

## Real Estate Portfolio

- Acquisitions – Closed on acquisitions of 567 properties in July, 2013, for \$897.1 million. Following these acquisitions, the company has acquired 913 properties from GE Capital for a contract purchase price of \$1.35 billion.
- Dispositions – None during 2013.
- Occupancy – The REIT has maintained 100% occupancy of its portfolio since inception.
- Lease Expirations – Average remaining lease term is 11.7 years as of June 30, 2013.
- Tenant Diversification – Tenants include Dollar General, FedEx, Family Dollar, Citizens Bank, Mattress Firm, Tractor Supply, with GE Portfolio adding Burger King, Applebees and YUM Brand's Pizza Hut and KFC. After the announced merger, ARCP will own 2,579 single tenant properties net leased to 470 tenants in 48 states.
- Geographic Diversification – As of June 30, 2013, Florida and Texas properties provided 18.6% and 10.0% of annualized rental income respectively. No other states represented more than 10% of annualized rental income.

## Cash Flow Analysis

- Operating Cash Flow – Averaged negative \$4.9 million quarterly last three quarters, and were negative \$12.9 million YTD 2013.
- Net Cash Flow – Equity capital raised by April, 2013, totaled \$1.7 billion. By June 30, 2013, \$1.26 billion had been invested in properties. With GE Capital portfolio purchases in 3Q 2013, real estate assets will total over \$2.4 billion and the Company drew \$625 million from credit facility in July, 2013 to finance purchases.
- Outlook – The merger with ARCP will provide shareholders with liquidity in 3Q 2013 and a \$30.00 share price after less than six months since the offering.

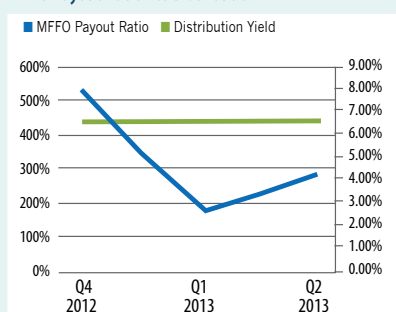
## Additional nontraded REITs currently sponsored by AR Capital, LLC, include:

American Realty Capital – Retail Centers of America, Inc.  
 American Realty Capital Trust V, Inc.  
 American Realty Capital Daily Net Asset Value Trust, Inc.  
 American Realty Capital Global Trust, Inc.  
 American Realty Capital Healthcare Trust, Inc.  
 American Realty Capital Healthcare Trust II, Inc.  
 American Realty Capital New York Recovery REIT, Inc.  
 ARC Realty Finance Trust, Inc.

## Nontraded REITs managed by American Realty Capital that have completed full-cycle events include:

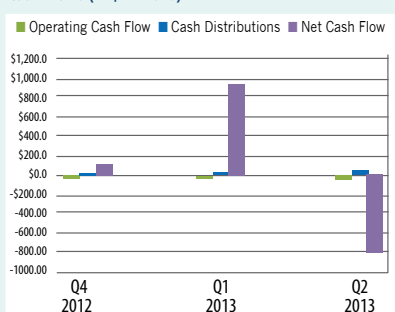
American Realty Capital Trust, Inc.  
 American Realty Capital Trust III, Inc.

MFFO Payout Ratio\* to Distribution

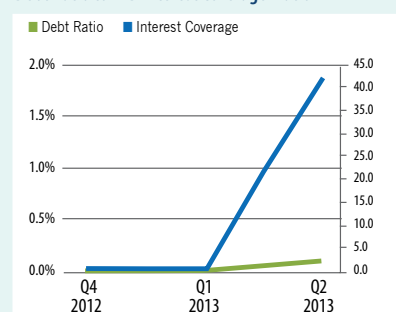


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio



American Realty Capital Trust V, Inc. was declared effective by the SEC in April 2013 and invests in a diversified portfolio of commercial properties, comprised primarily of freestanding single-tenant retail properties that are net leased to investment grade and other creditworthy tenants. As of the end of the second quarter 2013, the REIT had \$360.7 million in total assets and owned two properties.

The REIT is in the Growth Lifestage of effective REITs that is marked 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 August 30, 2013, the Company announced that it had raised approximately \$1.2 billion of its \$1.7 billion offering. Accordingly, on August 25, 2013, ARCT V's board approved the reallocation of any unissued shares of common stock under the distribution reinvestment plan to ARCT V's primary offering and disclosed that it will close the offering on September 18, 2013.
- Subsequent to June 30th through August 12, 2013, the Company acquired an additional 16 properties for a total purchase price of \$28.2 million.

### Capital Stack Review

- Debt Ratio – The Company did not have any debt on its balance sheet as of June 30, 2013.
- Debt Maturity – Not applicable.
- Debt Breakdown – Not applicable.
- Loan Activity – The Company did not assume any liabilities during 2Q 2013.
- Cash on Hand – Due to the unprecedented volume of capital raised during 2Q 2013, the Company reported a 95.9% cash to total assets ratio.

### Metrics

- Distribution – On April 9, 2013, the Company's board of directors authorized, and the Company declared, a distribution rate, which is calculated based on stockholders of record each day during the applicable period at a rate of \$0.004520548 per day, based on \$25.00 price per share of common stock. Distributions began to accrue on May 13, 2013, 15 days following the Company's initial property acquisition.
- Distribution Source – During the three months ended June 30, 2013, cash used to pay distributions was generated from proceeds from the IPO and shares issued pursuant to the DRIP.

- MFFO Payout Ratio – This ratio is not applicable as the Company has limited operations.
- Fee Waivers and Deferrals – None reported.
- Interest Coverage Ratio – This ratio is not applicable as the Company did not have any debt on its balance sheet as of 2Q 2013.
- Impairments – None.

### Real Estate Portfolio

- Acquisitions – The Company acquired two properties leased to Dollar General during 2Q 2013 for \$2.2 million.
- Dispositions – None.
- Occupancy – The portfolio is 100% leased.
- Lease Expirations – The Company reported weighted average remaining lease term of 14.8 years.
- Tenant Diversification – 100% of the Company's annualized rental income was generated by one tenant, Dollar General Corp.
- Geographic Diversification – The Company owned one property located in Texas and one located in Missouri as of 2Q 2013.

### Cash Flow Analysis

- Operating Cash Flow – Not meaningful at this early stage of the REIT's life.
- Net Cash Flow – Offering proceeds of \$393.2 million through 2Q 2013 had yet to be deployed
- Outlook – Offering proceeds through August 30 totaled \$1.2 billion. On August 6, the Board approved the acquisition of a \$1.45 billion portfolio of net leased properties. This would bring their portfolio to \$2.11 billion with 70% of its income from investment grade-rated tenants.

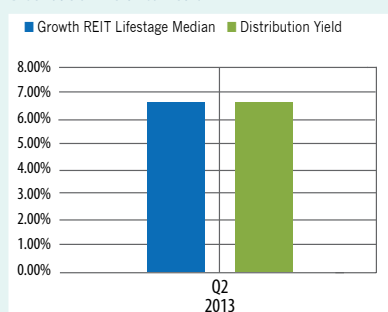
### Additional nontraded REITs currently managed by AR Capital:

American Realty Capital Daily Net Asset Value, Inc.  
 American Realty Capital Global Trust, Inc.  
 American Realty Capital New York Recovery REIT, Inc.  
 American Realty Capital Trust IV, Inc.  
 American Realty Capital – Retail Centers of America, Inc.  
 American Realty Capital Healthcare Trust, Inc.  
 American Realty Capital Healthcare Trust II, Inc.  
 ARC Realty Finance Trust, Inc.

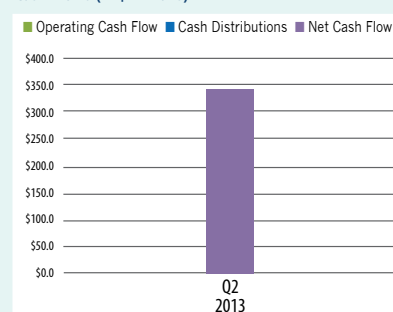
### Nontraded REITs managed by AR Capital that have completed full-cycle events:

American Realty Capital Trust, Inc.  
 American Realty Capital Trust III, Inc.

Distribution Yield vs. Median



Cash Flows (in \$Millions)



Behringer Harvard Opportunity REIT I, Inc. was declared effective by the SEC in September, 2005, and has focused on acquiring properties with significant possibilities for capital appreciation. The Company has acquired a wide variety of properties, including office, retail, hospitality, recreation and leisure and multifamily. As of June 30, 2013, it wholly owned five properties and consolidated three properties through joint ventures. It was a mezzanine lender for one multifamily property and had a noncontrolling interest in a joint venture with 22 properties.

The REIT is in the Liquidating Lifestage of closed REITs which is recognized by the positioning of the portfolio for sale or listing on a public exchange. The investment style of this REIT is considered to be "Opportunistic," which is defined as a REIT that generates a high percentage of its total return from asset appreciation and a low percentage from income. REITs in this category are also expected to exhibit a higher level of volatility in asset values.

## Key Highlights

- On April 15, 2013, sold Becket House and the lender accepted the net sale proceeds of \$19.8 million as full satisfaction of the outstanding debt of \$27.7 million.
- On May 28, 2013, sold Rio Salado for \$9.3 million and recognized a \$0.1 million gain.
- Robert Behringer resigned as chairman and director of each Behringer Harvard REIT in February, 2013 due to health issues.

## Capital Stack Review

- Debt Ratio – 41.9% as of 2Q 2013 compared to 45.2% as of 4Q 2012.
- Debt Maturity – 35.9% of the Company's debt is due to mature in 2014, 40.1% is due to mature after 2016.
- Debt Breakdown – 58% of the Company's debt is subject to variable interest rates, all at LIBOR + 3% to 6.75%.
- Loan Activity – As of June 30, 2013, the Company had not increased borrowings, but will make \$5.2 million in principal and interest payments during the remainder of 2013.
- Cash on Hand – The Company's cash to total assets ratio increased to 11.3% as of 2Q 2013 and is above the median of 1.2% for Liquidating LifeStage REITs.

## Metrics

- Distribution – The Company suspended cash distributions in 2011.
- Distribution Source Not applicable.
- MFFO Payout Ratio – Not applicable.

- Fee Waivers and Deferrals – At June 30, 2013, had accrued and deferred fees payable to Advisor of \$0.8 million consisting of asset management fees, property management fees and other costs.
- Interest Coverage Ratio – Not meaningful due to negative EBITDA for YTD 2013 and 2012.
- Impairments – \$305,000 YTD 2013 related to Becket House sale.

## Real Estate Portfolio

- Acquisitions – None YTD 2013
- Dispositions – Sold Becket House for \$19.8 million and Rio Salado for \$9.3 million.
- Occupancy – Not reported.
- Lease Expirations – 39% expiring by 2016 as of 12/31/12.
- Tenant Diversification Tenants in petroleum industry represented 34% of annualized base rents for 2012. No other industry exceeded 13% of rental revenues.
- Geographic Diversification – Consolidated properties only, by % of 2012 revenue: Texas 60%, Missouri 20%, Colorado 14%, California 4%, International 2%.

## Cash Flow Analysis

- Operating Cash Flow – Negative \$8.2 million over last four quarters.
- Net Cash Flow – Negative operating cash flows of \$3.6 million year to date and payments on debt of \$20.6 million have been funded by sale of properties grossing \$29.0 million.
- Outlook – If operating cash flows continue the trend of last four quarters, more property sales will be required to maintain liquidity. The properties sold year to date 2013 had contributed approximately \$0.6 million to the Company's operating loss. No properties were classified as held for sale as of June 30, 2013.

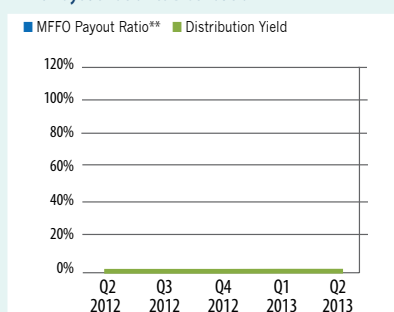
## Additional nontraded REITs currently managed by Behringer Harvard:

Behringer Harvard Opportunity REIT II, Inc.  
Behringer Harvard Multifamily REIT, Inc.

## Nontraded REITs managed by Behringer Harvard that have completed full-cycle events:

None

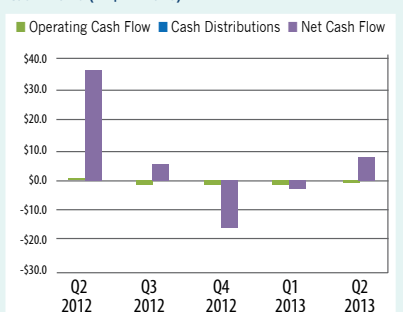
MFFO Payout Ratio\* to Distribution



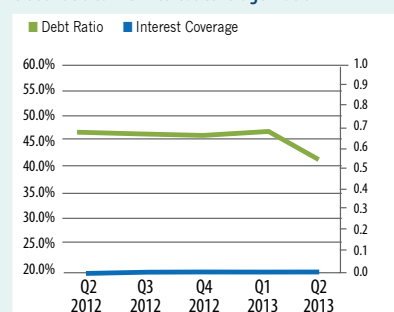
\*\*Not Meaningful

\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio



Cole Credit Property Trust IV, Inc. was declared effective by the SEC in January 2012 and invests in a diverse portfolio of retail and other income-producing commercial properties, which are leased to creditworthy tenants under long-term leases. As of the end of the second quarter 2013, the REIT had \$1.3 billion in total assets and owned 178 properties.

The REIT is in the Growth Lifestage of effective REITs that is marked 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

- As of August 8, 2013, the Company had received a total of \$921.6 million in gross offering proceeds.
- Subsequent to June 30, 2013, the Company entered into an amended agreement related to the Bridge Facility, which increased the maximum allowable borrowings to \$350.0 million.
- Between June 30 and August 8, 2013, the Company acquired 18 commercial real estate properties for an aggregate purchase price of \$140.3 million and an \$18.7 million interest in a joint venture arrangement that acquired one multi-tenant property.

## Capital Stack Review

- Debt Ratio – 53% as of 2Q 2013 compared to 40.7% as of 2Q 2012.
- Debt Maturity – Approximately 75% of the Company's debt is due to mature in 2015 or later.
- Debt Breakdown – Approximately 59% of the Company's debt is subject to variable interest rates.
- Loan Activity – As of 2Q 2013, of the Company's \$677.4 million in total debt, \$232.5 million of debt is outstanding under its secured revolving credit facility with JPMorgan Chase which matures on July 13, 2015.
- Cash on Hand – The Company's cash to total assets ratio declined to 1.0% as of 2Q 2013 and is significantly below the median of 10.5% of other Growth LifeStage REITs.

## Metrics

- Distribution – 6.25% which has been maintained since initially declared in 2Q 2012.
- Distribution Source – all of the distributions paid to date in 2013 have been funded from proceeds from the Offering.
- MFFO Payout Ratio – The Company's year-to-date MFFO payout ratio declined to 77% as of 2Q 2013 compared to 106% as of 4Q 2012.
- Fee Waivers and Deferrals – The Company commenced principal operations on April 13, 2012 and CR IV Advisors agreed to waive advisory fees and expense reimbursements for the first two months of operations.

- Interest Coverage Ratio – The year-to-date ratio of 2.8 as of 2Q 2013 is above median compared to other Growth LifeStage REITs.
- Impairments – None.

## Real Estate Portfolio

- Acquisitions – The Company acquired 57 properties for a total of \$532.2 million during 2Q 2013.
  - On April 15, 2013, the Company acquired an approximately 510,000 square foot retail property located in San Jose, California for \$203.1 million.
- Dispositions – None.
- Occupancy – The portfolio has been 98% leased for the past two quarters.
- Lease Expirations – The average weighted lease term as of 2Q 2013 was 12.7 years, down slightly from 13.6 years reported as of 1Q 2013.
- Tenant Diversification – As of June 30, 2013, no single tenant accounted for more than 10% of the gross annualized rental revenues. In addition, the Company had tenants in the discount store, restaurant, convenience store and home and garden industries, which comprised 11%, 10%, 10% and 10%, respectively, of the Company's 2013 gross annualized rental revenues.
- Geographic Diversification – As of June 30, 2013, one of the Company's properties was located in California, seven were located in New York and 11 were located in Georgia, which accounted for 17%, 13% and 10%, respectively, of the Company's 2013 gross annualized rental revenues.

## Cash Flow Analysis

- Operating Cash Flow – As rental revenues increased rapidly during the portfolio-building phase of this REIT's operations, from \$1.8 million in Q3 2012 to \$21.7 million in Q2 2013, operating cash flow has yet to stabilize.
- Net Cash Flow – New equity of \$375 million and net borrowing of \$403 million YTD 2013 dominated the cash flow as the REIT acquired its properties.
- Outlook – Acquisitions totaling \$859 million thru August 8, 2013 bring the REIT's real estate portfolio to \$1.38 billion. With the offering continuing into 2014, this REIT is on pace to become one of the larger nontraded REITs when stabilized.

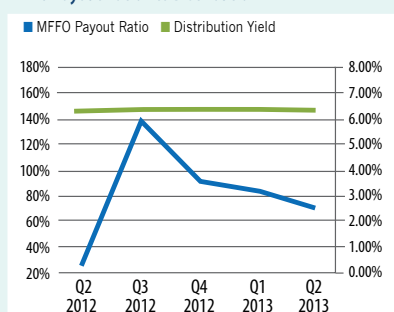
## Additional nontraded REITs currently managed by Cole Capital:

Cole Real Estate Income Strategy (Daily NAV), Inc.  
Cole Corporate Income Trust, Inc.

## Nontraded REITs managed by Cole that have completed full-cycle events:

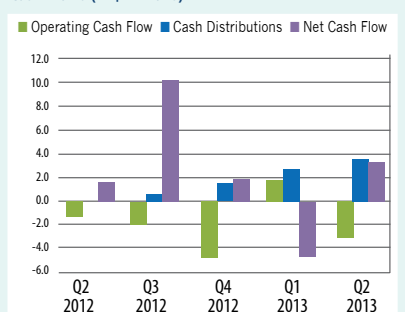
Cole Credit Property Trust II, Inc.  
Cole Credit Property Trust III, Inc.

MFFO Payout Ratio\* to Distribution

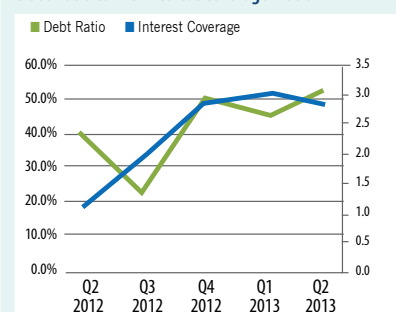


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio





Cole Real Estate Income Strategy (Daily NAV), Inc. was declared effective by the SEC in December 2011 and is structured as a perpetual-life, non-exchange traded REIT whose NAV per share is calculated daily by an independent fund accountant. The Company intends to invest in a diversified portfolio primarily consisting of (1) necessity retail, office and industrial properties that are leased to creditworthy tenants under long-term net leases, (2) notes receivable secured by commercial real estate, including the origination of loans, and (3) cash, cash equivalents, other short-term investments and traded real estate-related securities. As of the end of the second quarter 2013, the REIT had \$58.8 million in total assets and owned 20 properties.

The REIT is in the Emerging Lifestage of effective REITs which is typified by high levels of debt, not meaningful distribution payout ratios and limited distributions. 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 February 13, 2013, the Company filed a registration statement for two new classes of common stock.
- As of 2Q 2013, the Company owned 20 properties compared to 9 as of 2Q 2012.
- The REIT is one of only four that calculates a NAV per share on a daily basis.

### Capital Stack Review

- Debt Ratio – 28.5% as of 2Q 2013 compared to 65.9% as of 2Q 2012.
- Debt Maturity – 100% of the Company's debt is due to mature in 2014.
- Debt Breakdown – 100% of the Company's debt is subject to variable interest rates.
- Loan Activity – As of 2Q 2013, the Company had \$16.8 million of debt outstanding under its secured revolving line of credit that provides up to \$50.0 million of borrowings.
- Cash on Hand – The Company's cash to total assets ratio declined to 2.7% as of 2Q 2013 and is below the median compared to other Emerging LifeStage REITs.

### Metrics

- Distribution – The Company has maintained a distribution yield of 5.21% for the past two quarters based on \$15.00 share price.
- Distribution Source – Distributions for the six months ended June 30, 2013 were funded by cash flows from operations, including cash flows in excess of distributions from the prior year, of \$317,000, or 49%, and proceeds from the Offering of \$328,000, or 51%.

- MFFO Payout Ratio – The Company's year-to-date MFFO payout ratio increased slightly to 106% as of 2Q 2013 compared to 98% as of 1Q 2013.
- Fee Waivers and Deferrals – The Company's Advisor waived its right to receive acquisition expense reimbursements as well as waiving its right to receive operating expense reimbursements for the three and six months ended June 30, 2013.
- Interest Coverage Ratio – The Company's interest coverage ratio has improved to 2.8x as of 2Q 2103 compared to 1.9x as of 2Q 2012.
- Impairments – None.

### Real Estate Portfolio

- Acquisitions – During the six months ended June 30, 2013, the Company acquired 10 properties for an aggregate purchase price of \$21.3 million.
- Dispositions – None.
- Occupancy – The Company has maintained 100% occupancy since 2Q 2012.
- Lease Expirations – Weighted average lease term 14.7 years.
- Tenant Diversification – Tractor Supply Company, CVS Caremark Corporation and Walgreen Co. each accounted for 13%, and Dollar General accounted for 11%, of the Company's 2013 gross annualized rental revenues as of 2Q 2013.
- Geographic Diversification – Three of the Company's properties were located in Texas, accounting for 27% of its 2013 gross annualized rental revenues.

### Cash Flow Analysis

- Operating Cash Flow – Averaging \$118,000 per quarter over last four quarters, falling short of cash distributions which averaged \$206,000.
- Net Cash Flow – YTD 2013 proceeds from offering of \$28.2 million, investments of \$21.5 million, cash flow from operations of \$0.2 million resulted in net increase in cash of \$1.9 million.
- Outlook – Lower debt ratio, higher interest coverage ratio, MFFO payout ratio stabilizing, all suggest that this REIT will maintain its distribution and grow its investment portfolio as its modest capital raise rate of \$14 million per quarter continues.

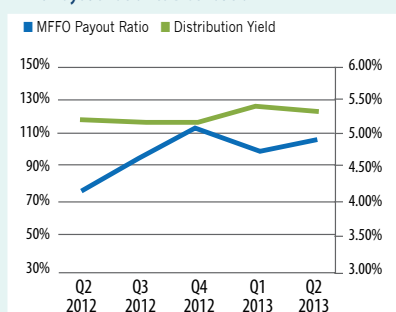
### Additional nontraded REITs currently managed by Cole Capital:

Cole Credit Property Trust IV, Inc.  
Cole Corporate Income Trust, Inc.

### Nontraded REITs managed by Cole that have completed full-cycle events:

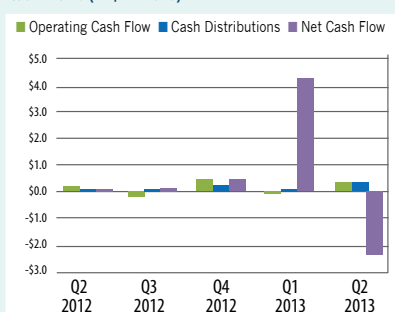
Cole Credit Property Trust II, Inc.  
Cole Credit Property Trust III, Inc.

MFFO Payout Ratio\* to Distribution

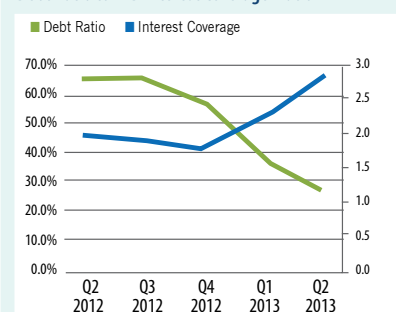


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio



Dividend Capital Diversified Property Trust, Inc. was originally declared effective by the SEC in 2006 and invests in a diverse portfolio of real property and real estate related investments. The REIT stopped accepting new investments in 2009 and later registered a new offering which became effective in July 2012. In connection with the new offering, the company also changed its name and began offering shares that are priced on a daily basis. As of the end of the second quarter 2013, the REIT had \$2.3 billion in total assets and owned 84 properties.

The REIT is in the Stabilizing LifeStage of effective REITs that is marked by the refinement of its debt strategy, diversification and stabilizing operating metrics. 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

- Of the total 84 properties owned, 31 are retail properties aggregating approximately 3.1 million net rentable square feet.
- The Company had invested in 15 debt-related investments with a weighted average maturity of 2.9 years with a weighted average yield of 7.8% as of 2Q 2013.
- Subsequent to June 30, 2013, the Company repaid the existing balance on the line of credit using proceeds from the disposition of an operating real property, which resulted in a total of \$350.0 million available to borrow under the line of credit.

## Capital Stack Review

- Debt Ratio – 58.3% as of 2Q 2013 compared to 60.3% as of 2Q 2012.
- Debt Maturity – Over 50% of the Company's debt is set to mature in 2017 or later.
- Debt Breakdown – Approximately 71% of the company's debt is fixed rate.
- Loan Activity – As of 2Q 2013, the Company had five outstanding interest rate swaps that were designated as cash flow hedges of interest rate risk, with a total notional amount of \$156.1 million.
- Cash on Hand – The Company's cash to total assets ratio of 1.4% is well below the median of 5.4% for other Stabilizing LifeStage REITs.

## Metrics

- Distribution – 5.12% as of 2Q 2013 compared to 5.22% as of 4Q 2012.
- Distribution Source – Distributions for the six months ending 2Q 2013 were paid using cash flow from operations.
- MFFO Payout Ratio – 81% as of 2Q 2013 compared to 107% as of 2Q 2012.
- Fee Waivers and Deferrals – None.
- Interest Coverage Ratio – The Company's interest coverage ratio was 2.3x as of 2Q 2013 compared to 2.0x as of 2Q 2012.
- Impairments – As of 2Q 2013, the Company had one impaired debt-related investment with an unpaid principal balance of approximately \$3.0 million.

## Real Estate Portfolio

- Acquisitions – The Company did not acquire any properties during 2Q 2013.
- Dispositions – During the six months ended June 30, 2013, the Company sold nine operating properties for approximately \$119.9 million.
  - A 1.5 million square foot office property in Dallas, TX that was acquired during 2012 as a result of the Company's foreclosure of a non-performing mezzanine loan was sold by a receiver pursuant to a court order. Because of the outstanding principal balance of the mortgage note, the Company did not receive any proceeds from the sale of Comerica Bank Tower but recorded a net gain on the disposition of approximately \$15.7 million.
- Occupancy – The Company's operating portfolio was approximately 96.2% leased as of 2Q 2013, compared to approximately 90.1% as of 2Q 2012.
- Lease Expirations – Approximately 58% of the Company's leases expire in 2017 or later.
- Tenant Diversification – Approximately 24% of the portfolio's revenue is generated from tenants occupying retail properties.
- Geographic Diversification – The Company's retail properties are located in seven geographic markets.

## Cash Flow Analysis

- Operating Cash Flow – Averaged \$22.8 million per quarter since 2Q 2012, more than sufficient to cover cash distributions which averaged \$12.4 over that same period.
- Net Cash Flow – Dispositions exceeded acquisitions by \$21.5 million year to date 2013 while repayments of secured borrowings and redemptions of common stock used \$55.1 million, for net cash outflow of \$5.3 million.
- Outlook – Reducing long-term debt and improving interest rate coverage, with an MFFO payout rate below 100% since 2Q 2012, this REIT shows a healthy ability to fund its recently lowered distributions. Improved occupancy, mostly long-term debt at fixed rates and solid lease commitments provide stability.

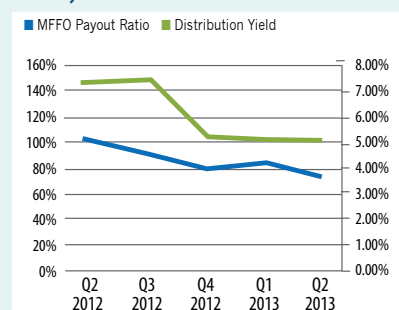
## Additional nontraded REITs currently managed by Dividend Capital:

Industrial Income Trust, Inc.  
Industrial Property Trust, Inc.

## Nontraded REITs managed by Dividend Capital that have completed full-cycle events:

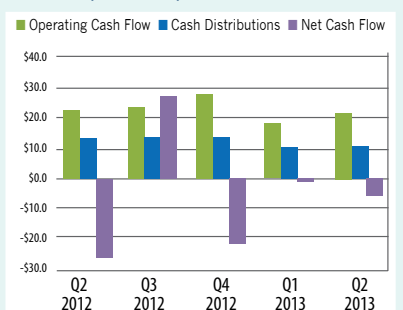
Dividend Capital Trust, Inc.

### MFFO Payout Ratio\* to Distribution

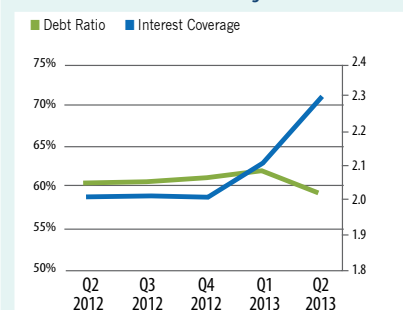


\*Quarterly

### Cash Flows (in \$Millions)



### Debt Ratio to YTD Interest Coverage Ratio



Hartman Short Term Income Properties XX, Inc. was declared effective by the SEC in February 2010 and intends to invest in and operate real estate and real estate-related assets on an opportunistic basis acquiring a wide variety of commercial properties, including office, industrial, retail, and other real properties. As of the end of the second quarter 2013, the REIT had \$53.4 million in total assets and owned 4 properties.

The REIT is in the Growth Lifestage of effective REITs that is marked by accelerated growth in capital raise and acquisitions. The investment style of this REIT is considered to be "Value Add," which is typically defined as a REIT that achieves a balanced total return generated by income and asset appreciation with some volatility in asset values.

### Key Highlights

- The Company stopped accepting subscriptions for the sale of its common stock between April 25, 2013 and July 16, 2013 at which time its follow-on offering was declared effective.
- During 1Q 2013 the Company disposed of the Harwin Property for \$3.4 million.

### Capital Stack Review

- Debt Ratio – 30.8% as of 2Q 2013 compared to 31.9% as of 2Q 2012.
- Debt Maturity – 100% of the Company's debt is due to mature in 2015.
- Debt Breakdown – 100% of the Company's debt is variable rate.
- Loan Activity – In connection with the acquisition of the Parkway Property, the borrowing base of the Credit Facility was increased from \$20.0 million to \$22.5 million.
- Cash on Hand – Significantly below the median compared to other Growth LifeStage REITs with a cash to total assets ratio of 0.2% for 2Q 2013 compared to 0.9% for 2Q 2012.

### Metrics

- Distribution – The Company has maintained an annualized distribution yield of 7.0% since 2011.
- Distribution Source – Of the distributions paid to stockholders for the six months ended June 30, 2013, approximately 28% was attributable to cash provided by operating activities.

- MFFO Payout Ratio – a year to date ratio of 256% as of 2Q 2013 compared to 969% as of 2Q 2012.
- Fee Waivers and Deferrals – None reported.
- Interest Coverage Ratio – 2.1x as of 2Q 2013 compared to 1.4x as of 2Q 2012.
- Impairments – None.

### Real Estate Portfolio

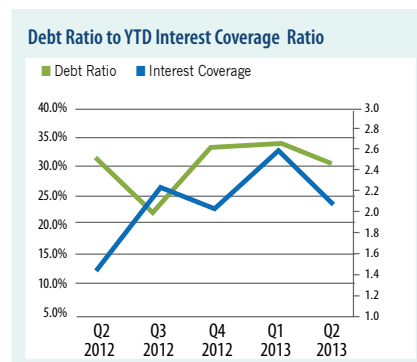
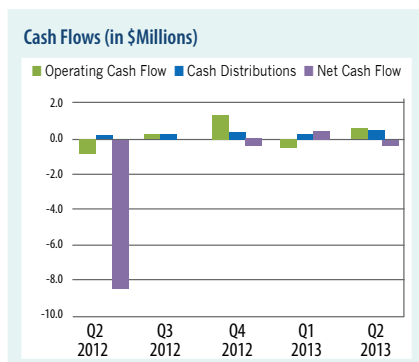
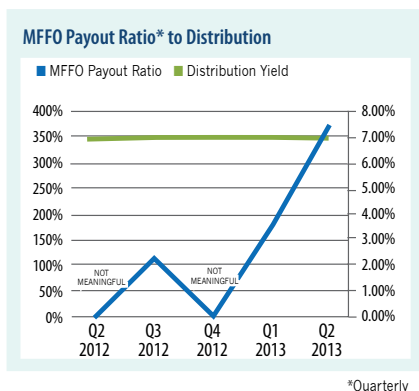
- Acquisitions – None during 2Q 2013.
- Dispositions – None during 2Q 2013.
- Occupancy – 66.2% as of 2Q 2013 compared to 70.4% as of 2Q 2012.
- Lease Expirations – Approximately 55% of leases expire in 2017 or later.
- Tenant Diversification – Approximately 64% of the Company's annualized base rental revenue is generated by tenants occupying retail properties.
- Geographic Diversification – 100% of the properties owned are located in Texas.

### Cash Flow Analysis

- Operating Cash Flow – Has averaged \$0.5 million over past four quarters, exceeding cash distributions which averaged \$0.3 million.
- Net Cash Flow – Was negative \$0.2 million over past four quarters as net investing outflows slightly exceeded net financing. Cash to assets was low at 0.2%.
- Outlook – With operating cash flows currently covering cash distributions, relatively low debt and stable interest coverage, the concern going forward will be to improve the MFFO payout ratio. The 7.00% distribution yield is higher than the medians for nontraded REITs.

**Additional nontraded REITs currently managed by Hartman:**  
None

**Nontraded REITs managed by Hartman that have completed full-cycle events:**  
None



Inland American Real Estate Trust, Inc. was formed in October, 2004, to acquire and manage a diversified portfolio of commercial real estate, primarily retail, office, industrial, multi-family and lodging properties, primarily in the U.S. The Company's portfolio and total assets of \$9.8 billion as of June 30, 2013, make it the largest among all non-traded REITs.

The REIT is in the Maturing LifeStage of closed REITs that is marked by a refinement of the portfolio through dispositions, strategic acquisitions and debt. The investment style of this REIT is considered to be "Core" which is 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 expected to exhibit a low level of volatility in asset values.

## Key Highlights

- On August 8, 2013, the Company announced an Equity Interest Purchase Agreement with AR Capital under which ARC will acquire its core net lease assets, including 294 properties in an all-cash transaction valued at approximately \$2.3 billion. The Company expects to recognize gains on the sale. The sale is expected to be consummated through three closings, with the initial closing expected to occur approximately 45 days from execution of the purchase agreement, the second closing expected to occur approximately 120 days and the final closing expected to occur on or prior to May 8, 2014.
- The Company sold 223 properties during the six months ended June 30, 2013, for a gross disposition price of \$720.8 million.
- Provision for asset impairments were \$175.6 million for 2Q 2013, compared to \$16.5 million for 2Q 2012.
- Revenues increased 13.4% to \$744 million for the six months ended June 30, 2013 vs. \$656 million for the same period in 2012.

## Capital Stack Review

- Debt Ratio – The REIT has a debt to total asset ratio of 53.7%, while total debt has decreased from \$6,006 million at year end 2012 to \$5,273 million at 6/30/13.
- Debt Maturity – Approximately 28% of the REIT's debt principal is due after 2017. 16.4% is due before 2015.
- Debt Breakdown – Approximately 78% of the REIT's debt is at fixed rates, with an overall weighted average rate of 5.10%.
- Loan Activity – The Company refinanced approximately \$608.6 million of 2013 maturities and obtained a senior unsecured credit facility of \$200 million LOC and \$75 million term loan.
- Cash on Hand – The Company had \$295.9 million in cash or cash equivalents at 6/30/13 or 3.0% of total assets.
- Redemptions – Repurchases of common stock have consistently been around 0.16% of average outstanding shares for each of the last 3 quarters at \$6.93 per share.

## Metrics

- Distribution – 5.00% annualized base upon \$10.00 original share price.
- Distribution Source – 94.3% from operating cash flows for six months ended June 30, 2013
- Return of Capital – 87% of distributions for 2012

- MFFO Payout Ratio – 93% for first half of 2013.
- Fee Waivers and Deferrals: None reported
- Interest Coverage Ratio – Has improved from 2.1 in 2011 to 2.3 in 2012 and 2.7 YTD 2013.
- Impairments \$189.5 million for six months ended June 30, 2013 compared to \$20.0 million for six months ended June 30, 2012.

## Real Estate Portfolio

- Acquisitions – Acquired six properties for the six months ended June 30, 2013, for \$234.3 million. Placed an additional two multi-family properties in service (1,189 beds and 356 units) for \$201.6 million.
- Dispositions – Sold one office property, the 1.4 million sf IDS Center in Minneapolis, MN, for \$253.5 million on April 25, 2013.
- Occupancy – By sector for period ending June 30, 2013: Retail 92% Lodging 73%, Office 94%, Industrial 97%, Multi-Family 93%
- Lease Expirations – 49.9% (as percent of annualized rent) of the REIT's leases expire in 2018 or later.
- Revenues by Sector for 2Q 2013: Retail \$90.0 million, Lodging \$193.1 million, Office \$32.2 million, Industrial \$21.7 million, Multi-Family \$20.5 million
- Diversification – As of June 30, 2013, the REIT owned 448 single-tenant retail properties in 19 states, 122 shopping center properties in 24 states, 89 hotel properties in 27 states, 44 industrial properties in 16 states, and 36 office properties in 16 states. Texas properties comprised 20.7% of the REIT's revenues.
- Sector Breakdown – Retail (361 properties, 19.5 million sf), Lodging (89 properties, 16,645 rooms), Office (34 properties, 8.5 million sf), Industrial (53 properties, 13.1 million sf), Multi-family (28 properties, 5,186 beds, 6,521 units)

## Cash Flow Analysis

- Operating Cash Flow – Averaged \$106 million per quarter over last four quarters.
- Net Cash Flow – Averaged \$21 million per quarter over last four quarters as cash distributions were covered by operating cash flows.
- Outlook – The REIT is continuing to execute a long-term portfolio strategy focusing in three specific asset classes of retail, lodging and student housing. The sale of retail bank branches and an office property as well as the purchase agreement to sell core net lease properties could cause dilution of operating performance prior to reinvestment. Distributions are expected to be funded by cash flow from operations going forward.

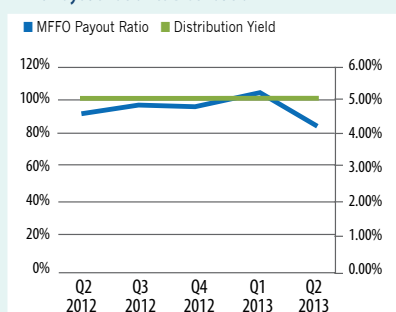
## Additional nontraded REITs currently managed by Inland:

Inland Diversified Real Estate Trust, Inc.  
Inland Real Estate Income Trust, Inc.

## Nontraded REITs managed by Inland that have completed full-cycle events:

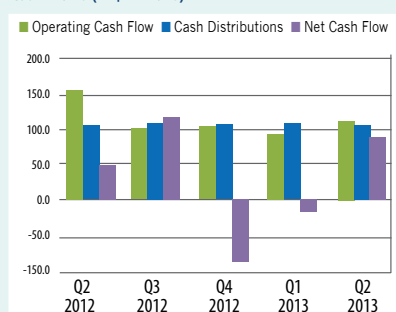
Retail Properties of America, Inc.  
Inland Retail Real Estate Trust, Inc.  
Inland Real Estate Corporation

MFFO Payout Ratio\* to Distribution

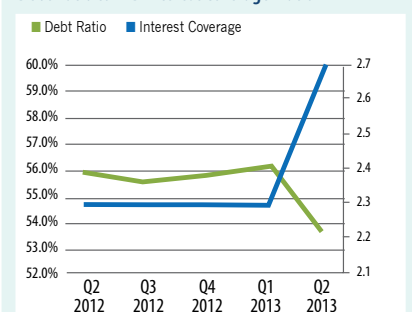


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio



Inland Diversified Real Estate Trust, Inc. was formed in June, 2008, to acquire and develop a diversified portfolio of commercial real estate in the U.S. and Canada. Public offerings raised \$1.140 billion by August 23, 2012. At June 30, 2013, the Company owned 134 retail properties, four office properties and two industrial properties totaling 12.4 million square feet and two multi-family properties totaling 444 units.

The REIT is in the Maturing LifeStage of closed REITs that is marked by a refinement of the portfolio through dispositions, strategic acquisitions and debt. The investment style of this REIT is considered to be "Core" which is 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 expected to exhibit a low level of volatility in asset values.

## Key Highlights

- The Company said February 19 that it had invested the entire capital raised through its best-efforts offering.
- The REIT said June 7 that its board of directors formed a special committee of independent directors to review alternatives for a potential liquidity event. The committee retained Wells Fargo Securities as its financial adviser to assist with the process,
- Purchased One Hasbro Place, toymaker Hasbro's U.S. headquarters for operations, located in Providence, R.I., for \$29.8 million in January, 2013.

## Capital Stack Review

- Debt Ratio – The REIT has a debt to total asset ratio of 52.6%, at the median for maturing LifeStage REITs.
- Debt Maturity – 72% of the REIT's mortgage debt matures after 2017.
- Debt Breakdown – Approximately 81% of the REIT's debt is at fixed rates, with an overall weighted average rate of 4.35%.
- Loan Activity – As of June 30, 2013, \$52.5 million was outstanding on the Company's line of credit with an interest rate of 1.90%. The Company increased its mortgages payable by \$10.6 million during the six months ended June 30, 2013.
- Cash on Hand – The Company had \$34.1 million in cash or cash equivalents at 6/30/13 or 1.5% of total assets.

## Metrics

- Distribution – 6.00% annualized base upon \$10.00 original share price.
- Distribution Source – 100% from operating cash flows for six months ended June 30, 2013.

- MFFO Payout Ratio – 81% for first half of 2013.
- Fee Waivers and Deferrals: \$7.695 million waiver of business management fee in 2012
- Interest Coverage Ratio – Has improved from 2.4 in 2011 to 2.8 in 2012 and 2.7 YTD 2013.
- Impairments – None YTD 2013 or 2012.

## Real Estate Portfolio

- Acquisitions – Acquired one Dollar General Store in six months ended June 30, 2013, for \$1.5 million.
- Dispositions – None YTD 2013.
- Occupancy – As of June 30, 2013, 95.9% weighted average physical occupancy, 97.3% economic occupancy.
- Lease Expirations – 76.2% (as percent of annualized rent) of the REIT's leases expire in 2018 or later.
- Revenues by Sector for 2Q 2013: Retail 93.1%, Industrial 3.4%, Multi-family 3.5%.
- Diversification – Top five tenants making up 16.0% of annualized base rents: Kohls, Walgreens, Dollar General, PetSmart, Ross Dress For Less.
- Sector Breakdown – Retail (134 properties, 11.5 million sf), Industrial (4 properties, 416,816 sf), Multi-family (2 properties, 444 units)

## Cash Flow Analysis

- Operating Cash Flow – Averaged \$18.3 million per quarter over last four quarters.
- Net Cash Flow – Averaged negative \$31.6 per quarter over last four quarters due to major investments in 3Q and 4Q 2012. Cash distributions totaling \$66.4 million were covered by operating cash flows of \$73 million.
- Outlook – With operating cash flows in first six months of 2013 totaling \$40.7 million and cash distributions of \$34.5 million, the REIT has stabilized its operations and should be able to maintain its 6% distribution rate.

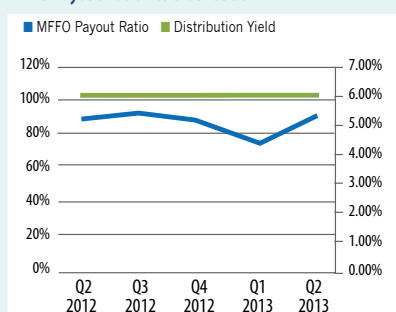
## Additional nontraded REITs currently managed by Inland:

Inland American Real Estate Trust, Inc.  
Inland Real Estate Income Trust, Inc.

## Nontraded REITs managed by Inland that have completed full-cycle events:

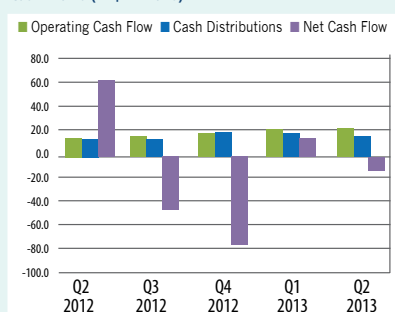
Retail Properties of America, Inc.  
Inland Retail Real Estate Trust, Inc.  
Inland Real Estate Corporation

MFFO Payout Ratio\* to Distribution

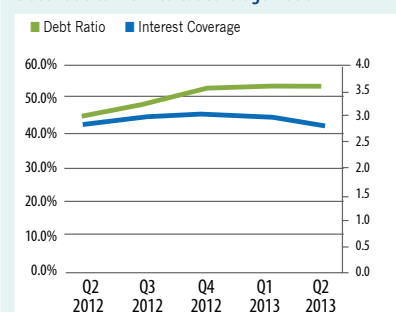


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio





Inland Real Estate Income Trust, Inc. was declared effective by the SEC in October 2012 and invests in a diversified portfolio of commercial real estate focused primarily on retail properties, office buildings, multi-family properties and industrial/distribution and warehouse facilities throughout the United States. As of the end of the second quarter 2013, the REIT had \$34.4 million in total assets and owned 13 properties.

The REIT is in the Emerging Lifestage of effective REITs which is typified by high levels of debt, not meaningful distribution payout ratios and limited distributions. 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

- The REIT's Sponsor, IREIC, invested \$2.0 million and received approximately 222,222 shares of common stock at \$9.00 per share on October 26, 2012. IREIC's invested capital, combined with capital from early investors, helped satisfy the minimum offering requirement in the majority of jurisdictions and enabled the Company to purchase 12 single-tenant triple net lease properties, as well as one multi-tenant retail property.
- Through June 30, 2013, the Company's liquidity needs have primarily been to purchase twelve Dollar General retail stores and the Newington Fair Shopping Center, to pay organization and offering costs and to pay distributions.
- The REIT has limited performance information as it has been fundraising for less than twelve months.

### Capital Stack Review

- Debt Ratio – 68.8% as of 2Q 2013, down from 82.5% during the previous quarter.
- Debt Maturity – Over two-thirds of the Company's debt matures in 2015 or later.
- Debt Breakdown – Over 60% of the Company's debt is at variable rates. This percentage is consistent with the previous two quarters.
- Loan Activity – The Company intends to repay its mezzanine loans maturing in 2013 with proceeds from the offering.
- Cash on Hand – The Company's cash to total assets ratio of 3.5% in below median compared to other Emerging LifeStage REITs.

### Metrics

- Distribution – The Company declared a distribution rate of 6.0% in Q4 2012 which has remained unchanged.
- Distribution Source – 100% of the distributions paid to stockholders were paid from the net proceeds of offering.

- MFFO Payout Ratio – This ratio is not calculated by the Company and is "not meaningful" due to the fact that the Company has been operational for less than one year.
- Fee Waivers and Deferrals – None.
- Interest Coverage Ratio – The Company's interest ratio of 0.3 is low due to the fact that the REIT has been operational for less than one year.
- Impairments – None.

### Real Estate Portfolio

- Acquisitions – The Company acquired 13 properties during Q4 2012 for a total of \$32.2 million and has not purchased any additional properties during the first half of 2013.
- Dispositions – None.
- Occupancy – The portfolio has been 100% leased for three consecutive quarters.
- Lease Expirations – Not reported.
- Tenant Diversification – The entirety of the Company's revenue was derived from three tenants for the six months ended June 30, 2013. Approximately 47.2%, 39.4% and 13.4% of consolidated rental revenue was generated from leases with Dolgencorp, LLC, a subsidiary of Dollar General Corporation, L.A. Fitness and Sam's Club, respectively.
- Geographic Diversification – Six of the thirteen properties owned are located in Alabama, three are located in Georgia and three are located in Tennessee.

### Cash Flow Analysis

- Operating Cash Flow –
- Net Cash Flow –
- Outlook –

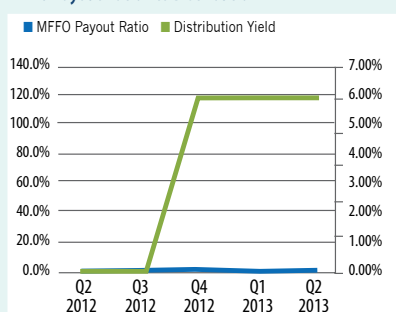
### Additional nontraded REITs currently managed by Inland:

Inland American Real Estate Trust, Inc.  
Inland Diversified Real Estate Trust, Inc.

### Nontraded REITs managed by Inland that have completed full-cycle events:

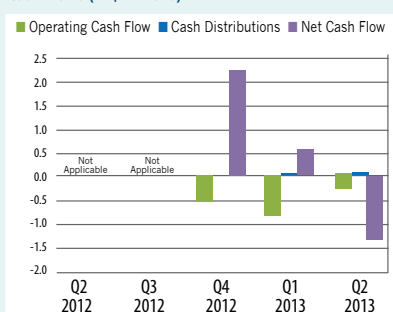
Retail Properties of America, Inc.  
Inland Retail Real Estate Trust, Inc.  
Inland Real Estate Corporation

MFFO Payout Ratio\* to Distribution

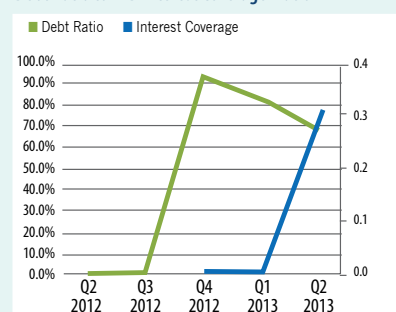


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio







Phillips Edison – ARC Shopping Center REIT, Inc. was declared effective by the SEC in 2010 and invests in grocery-anchored neighborhood and community shopping centers in strong demographic markets in the United States. As of the end of the second quarter 2013, the REIT had \$730 million in total assets and owned 46 properties.

The REIT is in the Stabilizing Lifestage of effective REITs that is marked by the refinement of its debt strategy, diversification and stabilizing operating metrics. 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

- Subsequent to the end of 2Q 2013, the Company acquired two grocery-anchored shopping centers totaling 300,638 square feet for an aggregate purchase price of \$55.1 million which increased the portfolio to interests in 48 shopping centers totaling 5.2 million square feet.
- From July 1, 2013 through July 31, 2013, the Company raised approximately \$140.9 million.
- As of August 8, 2013, there was no outstanding balance under its secured credit facility.

### Capital Stack Review

- Debt Ratio – The Company’s debt ratio of 28.2% as of 2Q 2013 is down significantly from 50.7% as of 1Q 2013.
- Debt Maturity – Over 44% of the Company’s debt is due to mature in 2017 or later.
- Debt Breakdown – Approximately 62% of the Company’s debt is fixed rate.
- Loan Activity – During the six months ended June 30, 2013, in conjunction with the acquisition of four real estate properties, the Company assumed debt of \$54.4 million.
- Cash on Hand – The Company’s cash to total assets ratio of 8.5% is up slightly from 7.7% as of 2Q 2012 and above the median of 5.4% for other Stabilizing LifeStage REITs.

### Metrics

- Distribution – Starting with the March 1, 2013 distribution, the Company has paid an annualized yield of 6.70% compared to 6.50% paid during all of 2012.
- Distribution Source – Distributions paid during the six months ended June 30, 2013 were funded from cash provided by operating activities.

- MFFO Payout Ratio – The Company’s year-to-date MFFO payout ratio was 77% as of 2Q 2013 compared to 88% as of 2Q 2012.
- Fee Waivers and Deferrals – None.
- Interest Coverage Ratio – The Company’s interest coverage ratio was 3.9x as of 2Q 2013 compared to 4.3x as of 2Q 2012.
- Impairments – None.

### Real Estate Portfolio

- Acquisitions – The Company acquired 20 grocery-anchored shopping centers totaling approximately 2.4 million square feet for an aggregate purchase price of \$343.6 million in the first six months of 2013.
- Dispositions – None.
- Occupancy – The Company’s occupancy declined slightly to 93.6% for 2Q 2013 compared to 95.3% as of 2Q 2012.
- Lease Expirations – Over 69% of the Company’s leases expire in 2017 or later.
- Tenant Diversification – One tenant, Publix, comprised approximately 11% of the aggregate annualized effective rent of the portfolio as of 2Q 2013. Approximately 44.7% of the total annualized effective rent is generated by the grocery anchor of the REIT’s properties.
- Geographic Diversification – The portfolio of properties is diversified across 18 states.

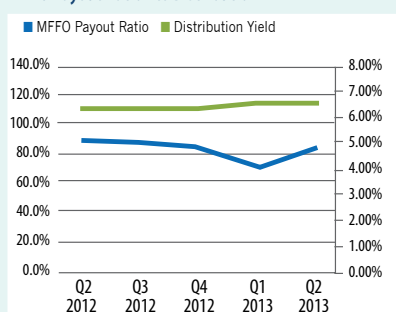
### Cash Flow Analysis

- Operating Cash Flow – Increased to \$4.7 million in 2Q 2013 after averaging \$2.2 million in the previous four quarters. Still below the cash distributions of \$2.5 million in 2Q 2013.
- Net Cash Flow – With the accelerated offering in 2Q 2013, the REIT raised \$322.5 million in equity, investing \$168 million and paying down debt, resulting in net cash inflows of \$54 million.
- Outlook – This REIT has maintained and raised its distribution yield (to 6.7% in 1Q 2013), maintained a low MFFO payout ratio, paid down debt while improving its interest coverage, and now appears poised for major acquisitions, with \$73 million in cash on hand. Post June 30, 2013, these acquisitions included nine shopping centers for \$151.1 million.

**Additional nontraded REITs currently managed by Phillips Edison:**  
None

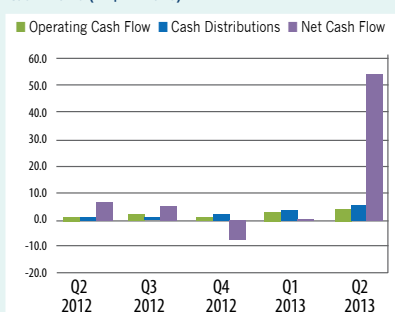
**Nontraded REITs managed by Phillips Edison that have completed full-cycle events:**  
None

MFFO Payout Ratio\* to Distribution

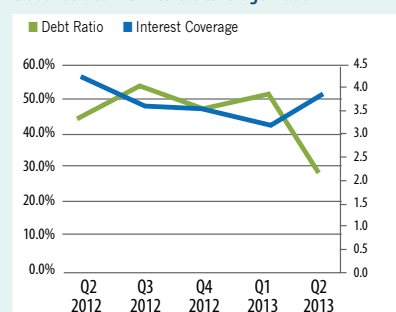


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio



TNP Strategic Retail Trust, Inc. was formed in September, 2008, to invest in and manage a portfolio of income producing retail properties, located primarily in the Western U.S. Public offerings raised \$108.4 million including DRP by February 7, 2013. At June 30, 2013, the Company owned 20 retail properties totaling approximately 2,037,000 square feet located in 14 states. The Company is not currently actively seeking additional investments.

The REIT is in the Maturing LifeStage of closed REITs that is marked by a refinement of the portfolio through dispositions, strategic acquisitions and debt. The investment style of this REIT is considered to be "Core" which is 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 expected to exhibit a low level of volatility in asset values.

### Key Highlights

- On August 22, TNP Strategic Retail Trust, Inc., changed its name to Strategic Retail Trust, Inc.
- On August 7, 2013, the Company allowed its existing advisory agreement with the Company's prior advisor, TNP Strategic Retail Advisor, LLC to expire without renewal. On August 10, 2013, the Company entered into a new advisory agreement with SRT Advisor, LLC, to manage the Company's business as the Company's external advisor. SRT is an affiliate of Glenborough, LLC, a privately held full-service real estate investment and management company.
- On April 1, 2013, the Company entered into a forbearance agreement with respect to the Company's credit agreement with KeyBank, and on July 31, 2013 the Company entered into an amendment to the forbearance agreement which extended the term of the forbearance period.
- On August 1, 2013, the Company's affiliate, TNP SRT Lahaina, relinquished its interest in the Lahaina Property (acquired in November 2012 for \$24.1 million) to the lender pursuant to a Deed in Lieu of Foreclosure.

### Capital Stack Review

- Debt Ratio – The REIT has a debt to total asset ratio of 68.6%, well above the median for maturing LifeStage REITs of 52.5%.
- Debt Maturity – 64.2% of the REIT's mortgage debt matures after 2016.
- Debt Breakdown – Approximately 80% of the REIT's debt is at fixed rates, with an overall weighted average rate of 6.48%.
- Loan Activity – On July 31, 2013, entered into an amended forbearance agreement with KeyBank to extend the forbearance to Jan 31, 2014. On June 30, 2013, the outstanding balance on the Credit Facility was \$36,455,000.
- Cash on Hand – The Company had \$492,000 in cash or cash equivalents at 6/30/13 or 0.2% of total assets.

### Metrics

- Distribution – Suspended distributions for 2nd Quarter, 2013.
- Return of Capital – 100% of the distributions in 2012 and 2011 were classified as return of capital.
- Distribution Source – Not applicable for 2Q 2013. During 1Q 2013 cash flows from operations were negative \$1.857 million while distributions were \$415,000
- MFFO Payout Ratio – Not meaningful for first half of 2013 because MFFO was negative \$637,000.
- Fee Waivers and Deferrals: No asset management fees were incurred during first six months of 2013.
- Interest Coverage Ratio – Has fallen from 1.1 for 2012 to 0.6 for YTD 2Q 2013 compared to median of 2.7 for Maturing LifeStage REITs.
- Impairments – None YTD 2013.

### Real Estate Portfolio

- Acquisitions – None in 2013 as of June 30, 2013.
- Dispositions – Sold Waianae Mall in Waianae, Hawaii, for \$29.8 million in January, 2013.
- Occupancy – As of June 30, 2013, rentable space at the Company's retail properties was 86% leased.
- Lease Expirations – As of 12/31/12, 58.1% of the REIT's leases were to expire in 2018 or later.
- Revenues : Increased to \$7,796,000 during the three months ended June 30, 2013 compared to \$5,225,000 for the three months ended June 30, 2012, primarily due to a full quarter of operations for three property additions acquired in the second quarter of 2012 and the addition of one property subsequent to June 30, 2012.
- Diversification – The REIT's 20 properties are located in 11 states (California 6, Florida 2, Texas 2)
- Sector Breakdown – Retail (20 properties, 2.04 million square feet)

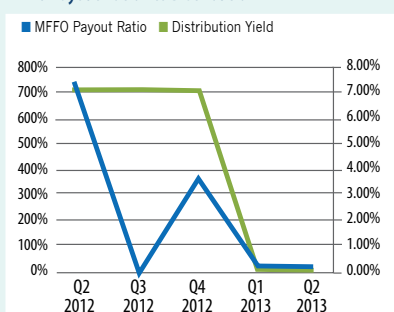
### Cash Flow Analysis

- Operating Cash Flow – Totaled \$1.6 million for last four quarters,
- Net Cash Flow – Averaged negative \$0.8 million per quarter over last four quarters due to \$2.8 million in cash distributions and insufficient operating cash flows.
- Outlook – Negative net cash flows for each of the last four quarters suggest ongoing liquidity problems. Suspending cash distributions and a new advisory agreement may reverse the short-term cash flow trends. The net loss per share from continuing operations did improve slightly (\$0.29 vs. \$0.31) from 1Q 2013 to 2Q 2013.

**Additional nontraded REITs currently managed by Glenborough:**  
None

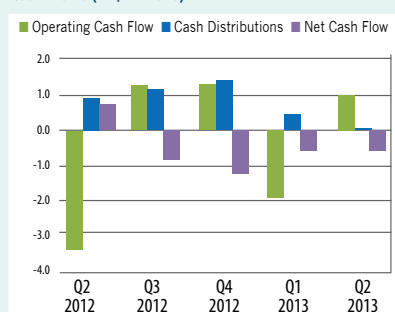
**Nontraded REITs managed by Glenborough that have completed full-cycle events:**  
None

MFFO Payout Ratio\* to Distribution

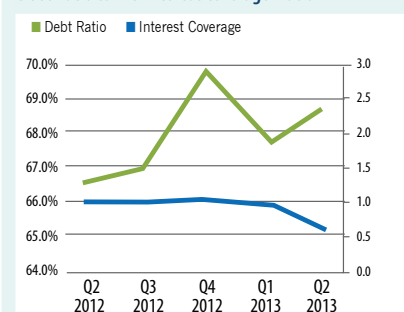


\*Quarterly

Cash Flows (in \$Millions)



Debt Ratio to YTD Interest Coverage Ratio



## Nontraded REIT Industry Review: Second Quarter 2013



## American Realty Capital – Retail Centers of America, Inc.

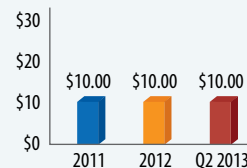
Total Assets.....	\$58.9 Million
Real Estate Assets .....	\$51.5 Million
Cash.....	\$5.4 Million
Securities .....	\$0.0 Million
Other.....	\$2.0 Million



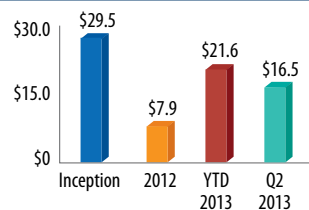
Cash to Total Assets Ratio: .....	9.2%
Asset Type: .....	Retail
Number of Properties:.....	2
Square Feet / Units / Rooms / Acres:.....	307,935
Percent Leased: .....	95.1%
LifeStage:.....	Growth
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	2,063,622

Initial Offering Date: .....	March 17, 2011
Number of Months Fundraising: .....	27
Anticipated Offering Close Date: .....	March 17, 2014
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

## Historical Price



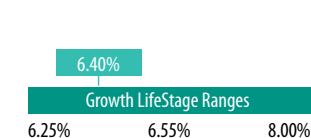
## Gross Dollars Raised\*



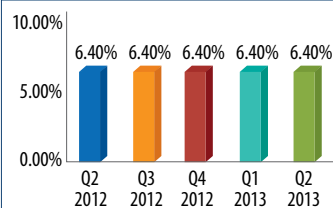
\*Includes reinvested distributions (in millions)

## Current Distribution

Current Distribution Yield: ... 6.40%



## Historical Distribution

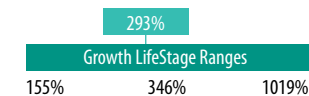


## Contact Information

[www.retailcentersofamerica.com](http://www.retailcentersofamerica.com)  
**American Realty Capital –  
 Retail Centers of America**  
 405 Park Avenue  
 New York, NY 10022  
 (212) 415-6500

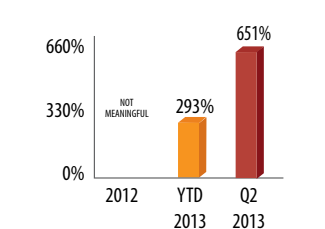
## Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 293%



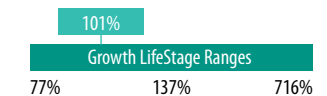
YTD Distributions Paid:.....\$387,000  
 YTD FFO:.....\$132,000

## Historical FFO Payout Ratio



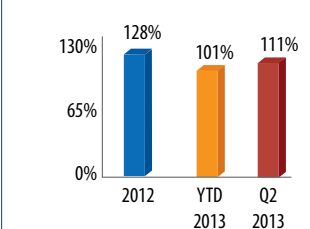
## Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO:... 101%

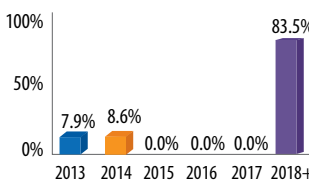


YTD Distributions Paid:.....\$387,000  
 YTD MFFO:.....\$384,000  
 Company Reported MFFO – see notes

## Historical MFFO Payout Ratio

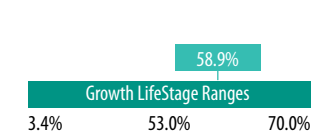


## Debt Repayment Schedule



## Current Debt Ratio

Debt to Total Assets Ratio: ... 58.9%



## Debt Breakdown

Total: .....\$34.7 Million  
 Fixed: .....\$34.7 Million  
 Variable: .....\$0.0 Million  
 Avg. Wtd. Rate: .....4.67%  
 Term: .....1 – 5 yrs

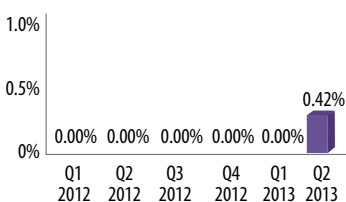
## Interest Coverage Ratio

YTD Interest Coverage Ratio:..... 1.2



Adjusted EBITDA: .....\$1,800,000  
 Interest Expense: .....\$1,661,000

## Redemptions



## Lease Expirations

Weighted average remaining lease term  
 is 4.9 years

## Trends and Items of Note

- During the second quarter of 2013, the Company paid down the entire \$6.5 million mezzanine loan that encumbered the San Pedro Crossing property.
- There were no assets acquired or liabilities assumed during the three months ended June 30, 2013.
- The Interest Coverage ratio improved to 1.2x as of 2Q 2013 compared to a ratio that was not meaningful due to a negative EBITDA as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.

## Nontraded REIT Industry Review: Second Quarter 2013



## American Realty Capital Daily Net Asset Value, Inc.

Total Assets.....	\$28.1 Million
Real Estate Assets .....	\$26.6 Million
Cash.....	\$0.9 Million
Securities .....	\$0.0 Million
Other.....	\$0.6 Million



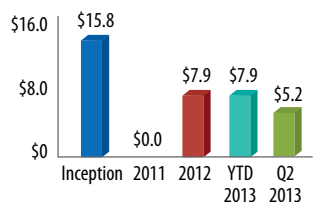
Initial Offering Date: .....	August 15, 2011
Number of Months Fundraising: .....	23
Anticipated Offering Close Date: .....	August 15, 2014
Current Price per Share: .....	See Below
Reinvestment Price per Share: .....	See Below

Cash to Total Assets Ratio: .....	3.4%
Asset Type: .....	Diversified
Number of Properties: .....	9
Square Feet / Units / Rooms / Acres: .....	175,290 Sq. Ft.
Percent Leased: .....	100.0%
LifeStage:.....	Emerging
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	1,375,038

## Historical Price



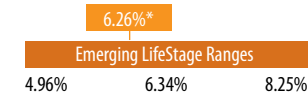
## Gross Dollars Raised\*



\*Includes reinvested distributions (in millions)

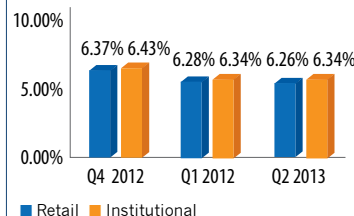
## Current Distribution

Current Distribution Yield: ... 6.26%\*



\*For Retail Shares

## Historical Distribution



Retail Institutional

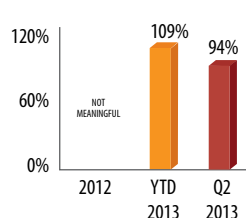
## Contact Information

[www.ARCDailyNAV.com](http://www.ARCDailyNAV.com)  
**American Realty Capital  
 Daily Net Asset Value, Inc.**  
 405 Park Avenue  
 New York, NY 10022  
 (212) 415-6500

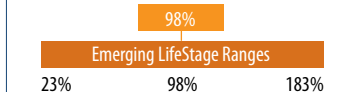
## Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO: ....109%YTD Distributions Paid:.....\$337,000  
YTD FFO:.....\$308,000

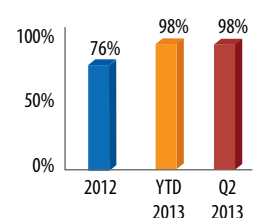
## Historical FFO Payout Ratio



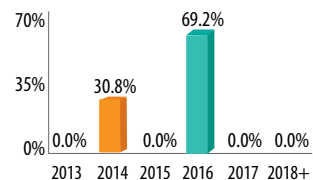
## Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: ....98%YTD Distributions Paid:.....\$337,000  
YTD MFFO:.....\$345,000  
Company Reported MFFO – see notes

## Historical MFFO Payout Ratio



## Debt Repayment Schedule



## Current Debt Ratio

Debt to Total Assets Ratio: ... 57.8%



## Debt Breakdown

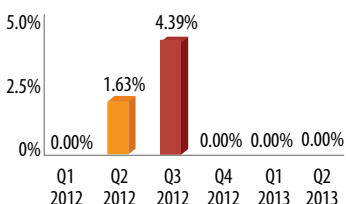
Total: .....\$16.2 Million  
 Fixed: .....\$16.2 Million  
 Variable: .....\$0.0 Million  
 Avg. Wtd. Rate: .....5.35%  
 Term: .....1 – 4 yrs

## Interest Coverage Ratio

YTD Interest Coverage Ratio:.....1.6

Adjusted EBITDA: .....\$989,000  
Interest Expense: .....\$621,000

## Redemptions



## Lease Expirations

Weighted average lease term is  
13.4 years

## Trends and Items of Note

- The current distribution yield referenced above is based on the retail share price of \$10.07 as of June 30, 2013. The annualized yield based on the institutional share price of \$9.94 is 6.34% as of June 30, 2013.
- The Company did not acquire any properties during 2Q 2013.
- The Company's cash to total assets ratio remains below median compared to other REITs in the Emerging LifeStage.
- The Company hedged \$9.7 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## American Realty Capital Global Trust, Inc.

Total Assets.....	\$50.9 Million
Real Estate Assets .....	\$20.3 Million
Cash .....	\$28.1 Million
Securities.....	\$0.0 Million
Other .....	\$2.5 Million



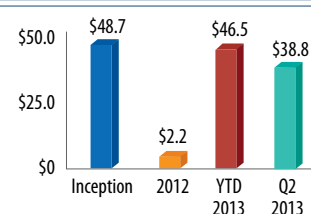
Initial Offering Date: .....	April 20, 2012
Number of Months Fundraising: .....	14
Anticipated Offering Close Date: .....	April 20, 2014
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	55.2%
Asset Type: .....	Diversified
Number of Properties:.....	3
Square Feet / Units / Rooms / Acres:.....	103,605 Sq. Ft.
Percent Leased: .....	100.0%
LifeStage:.....	Emerging
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	2,755,487

### Historical Price



### Gross Dollars Raised\*



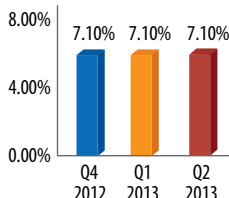
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.10%



### Historical Distribution



### Contact Information

[www.AmericanRealtyCap.com](http://www.AmericanRealtyCap.com)  
**American Realty Capital  
 Global Trust, Inc.**  
 405 Park Avenue  
 New York, NY 10022  
 212-415-6500

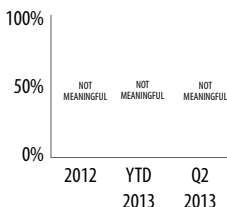
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: **NOT MEANINGFUL**



YTD Distributions Paid:..... \$338,000  
 YTD FFO: ....., (\$1,142,000)

### Historical FFO Payout Ratio



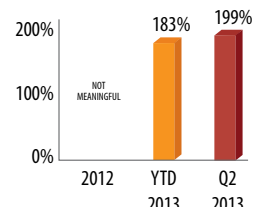
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 183%

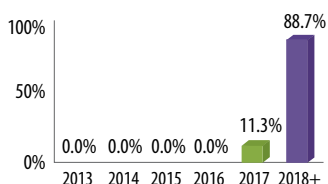


YTD Distributions Paid:..... \$338,000  
 YTD MFFO: ....., \$185,000  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 20.1%



### Debt Breakdown

Total: .....	\$10.2 Million
Fixed: .....	\$10.2 Million
Variable: .....	\$0.0 Million
Avg. Wtd. Rate: .....	3.90%
Term: .....	4 – 5 yrs

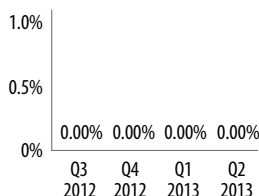
### Interest Coverage Ratio

YTD Interest Coverage Ratio:..... 3.7



Adjusted EBITDA: ....., \$243,000  
 Interest Expense: ....., \$65,000

### Redemptions



### Lease Expirations

Average Remaining lease term  
 is 12.9 years

### Trends and Items of Note

- The REIT broke escrow in October 2012, began paying distributions in the fourth quarter of 2012, and has limited trend data.
- The Company acquired two properties during the second quarter of 2013 for a total of \$18.4 million.
- The Company's Cash to Total Assets ratio is significantly above the median compared to other REITs in the Emerging LifeStage.
- The Company's Debt to Total Assets ratio is below the median compared to other REITs in the Emerging LifeStage.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## American Realty Capital Healthcare Trust II, Inc.

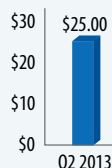
Total Assets.....	\$26.0 Million
Real Estate Assets .....	\$7.4 Million
Cash .....	\$17.1 Million
Securities .....	\$0.0 Million
Other .....	\$1.6 Million



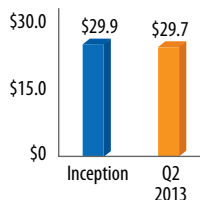
Initial Offering Date: .....	February 14, 2013
Number of Months Fundraising: .....	4
Anticipated Offering Close Date: .....	February 14, 2015
Current Price per Share: .....	\$25.00
Reinvestment Price per Share: .....	\$23.75

Cash to Total Assets Ratio: .....	65.6%
Asset Type: .....	Healthcare
Number of Properties: .....	2
Square Feet / Units / Rooms / Acres: .....	30,488 Sq. Ft.
Percent Leased: .....	100.0%
LifeStage: .....	Emerging
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	379,911

### Historical Price



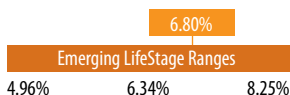
### Gross Dollars Raised\*



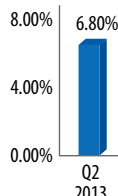
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.80%



### Historical Distribution



### Contact Information

[www.AmericanRealtyCap.com](http://www.AmericanRealtyCap.com)  
**American Realty Capital  
 Healthcare Trust II, Inc.**  
 405 Park Avenue  
 New York, NY 10022  
 212-415-6500

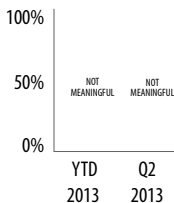
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL



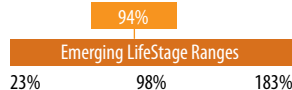
YTD Distributions Paid:..... \$16,000  
 YTD FFO: ....., (\$100,000)

### Historical FFO Payout Ratio



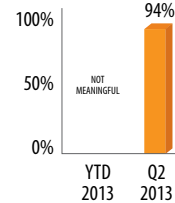
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: .... 94%



YTD Distributions Paid:..... \$16,000  
 YTD MFFO: ....., \$17,000  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Repayment Schedule

Not Applicable

### Current Debt Ratio

Not Applicable

### Debt Breakdown

Not Applicable

### Interest Coverage Ratio

Not Applicable

### Redemptions



### Lease Expirations

Weighted average lease term is  
 10.4 years

### Trends and Items of Note

- On April 12, 2013, the Company received and accepted subscriptions in excess of the minimum offering amount for the IPO of \$2.0 million in shares, broke general escrow and issued shares of common stock to initial investors who were admitted as stockholders of the Company.
- On April 9, 2013, the Company's board of directors authorized, and the Company declared, a distribution rate, which is calculated based on stockholders of record each day during the applicable period at a rate of \$0.0046575343 per day based on a price of \$25.00 per share of common stock. Distributions began to accrue on May 24, 2013, 15 days following the Company's initial property acquisition.
- This REIT has limited trend data due to the fact that it began operations in 2Q 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.



## Nontraded REIT Industry Review: Second Quarter 2013



## American Realty Capital New York Recovery REIT, Inc.

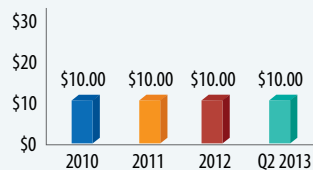
Total Assets.....	\$760.8 Million
Real Estate Assets .....	\$458.2 Million
Cash.....	\$257.6 Million
Securities .....	\$1.0 Million
Other.....	\$44.0 Million



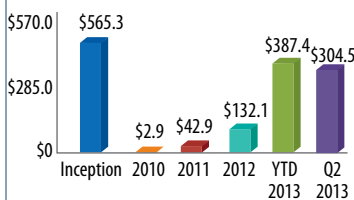
Cash to Total Assets Ratio: .....	33.9%
Asset Type: .....	Office & Retail
Number of Properties:.....	17
Square Feet / Units / Rooms / Acres:.....	0.8 Million Sq. Ft.
Percent Leased: .....	94.2%
LifeStage:.....	Stabilizing
Investment Style: .....	Value Add
Weighted Average Shares Outstanding: .....	42,001,432

Initial Offering Date: .....	September 2, 2010
Number of Months Fundraising: .....	34
Anticipated Offering Close Date: .....	March 1, 2015
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

## Historical Price



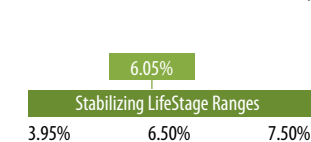
## Gross Dollars Raised\*



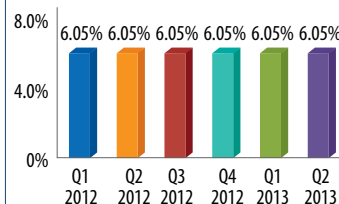
\*Includes reinvested distributions (in millions)

## Current Distribution

Current Distribution Yield: ... 6.05%



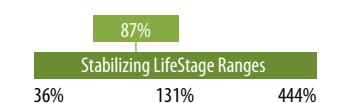
## Historical Distribution



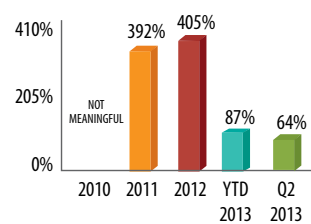
## Contact Information

[www.AmericanRealtyCap.com](http://www.AmericanRealtyCap.com)  
**American Realty Capital  
 New York Recovery REIT, Inc.**  
 405 Park Avenue  
 New York, NY 10022  
 212-415-6500

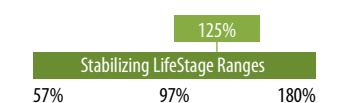
## Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO: ..... 87%YTD Distributions Paid: ... \$8,157,000  
YTD FFO: ..... \$9,418,000

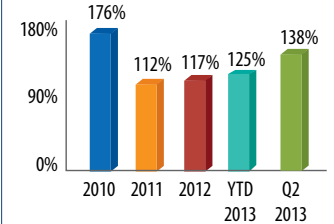
## Historical FFO Payout Ratio



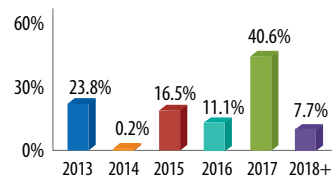
## Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: ...125%YTD Distributions Paid:.. \$8,157,000  
YTD MFFO: ..... \$6,508,000  
Company Reported MFFO – see notes

## Historical MFFO Payout Ratio

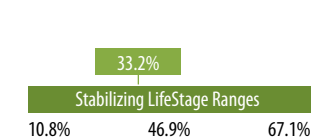


## Debt Repayment Schedule

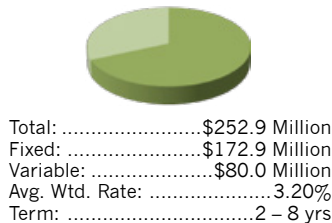


## Current Debt Ratio

Debt to Total Assets Ratio: ... 33.2%

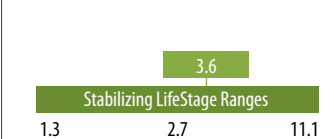


## Debt Breakdown

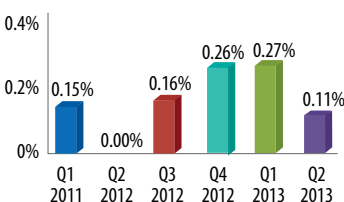


## Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.6

Adjusted EBITDA: ..... \$17,188,000  
Interest Expense: ..... \$4,840,000

## Redemptions



## Lease Expirations

Weighted average remaining lease term  
of 9.3 years

## Trends and Items of Note

- The Company did not acquire any properties during 2Q 2013.
- On July 5, 2013, the Company closed on the acquisition of an indirect condominium interest in a three-story office and creative studio space located in the Tribeca neighborhood of Manhattan for a contract purchase price of \$90.8 million.
- The REIT's Cash to Total Assets ratio remained low during the prior twelve months, however, during 2Q 2013 the ratio increased significantly to 33.9% as a result of an increase in new investor subscriptions.
- The REIT's Interest Coverage Ratio has improved to 3.6x as of 2Q 2013 compared to 2.5x during 2Q 2012.
- The Company hedged \$99.99 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## American Realty Capital Trust V, Inc.

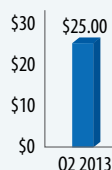
Total Assets.....	\$360.7 Million
Real Estate Assets .....	\$2.2 Million
Cash .....	\$346.0 Million
Securities .....	\$0.0 Million
Other .....	\$12.4 Million



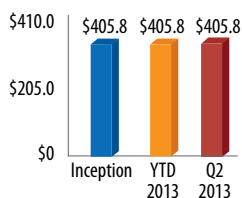
Initial Offering Date: .....	April 4, 2013
Number of Months Fundraising: .....	2
Anticipated Offering Close Date: .....	September 18, 2013
Current Price per Share: .....	\$25.00
Reinvestment Price per Share: .....	\$23.75

Cash to Total Assets Ratio: .....	95.9%
Asset Type: .....	Retail
Number of Properties: .....	2
Square Feet / Units / Rooms / Acres: .....	18,126 Sq. Ft.
Percent Leased: .....	100.0%
LifeStage: .....	Growth
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	5,173,574

### Historical Price



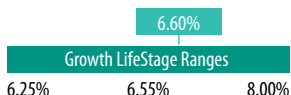
### Gross Dollars Raised\*



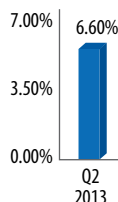
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.60%



### Historical Distribution



### Contact Information

[www.AmericanRealtyCap.com](http://www.AmericanRealtyCap.com)  
**American Realty Capital Trust V, Inc.**  
 405 Park Avenue  
 New York, NY 10022  
 212-415-6500

### Year to Date FFO Payout Ratio

Not Applicable

### Historical FFO Payout Ratio

Not Applicable

### Year to Date MFFO Payout Ratio

Not Applicable

### Historical MFFO Payout Ratio

Not Applicable

### Debt Repayment Schedule

Not Applicable

### Current Debt Ratio

Not Applicable

### Debt Breakdown

Not Applicable

### Interest Coverage Ratio

Not Applicable

### Redemptions



### Lease Expirations

Weighted-average remaining lease term of 14.8 years.

### Trends and Items of Note

- On April 25, 2013, the Company received and accepted aggregate subscriptions in excess of the minimum of \$2.0 million in shares of common stock, broke escrow and issued shares of common stock to its initial investors who were admitted as stockholders.
- On August 30, 2013, the Company disclosed that it had raised approximately \$1.2 billion of its \$1.7 billion offering of common stock (not including amounts available under the \$350 million ARCT V distribution reinvestment plan). Accordingly, on August 25, 2013, ARCT V's board allocated any unissued shares of common stock under the distribution reinvestment plan to ARCT V's primary offering. The Company also indicated that the offering will close on September 18, 2013.
- During the second quarter of 2013, the Company acquired two properties for a total of \$2.2 million.
- Because this Company did not begin operations until 2Q 2013, there is no trend data for referencing.
- See additional notes on page 98 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Apple REIT Ten, Inc.

Total Assets	\$741.0 Million
Real Estate Assets	\$574.7 Million
Cash	\$64.1 Million
Securities	\$80.2 Million
Other	\$21.9 Million



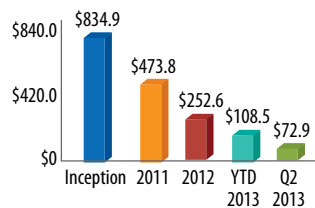
Cash to Total Assets Ratio: 8.7%  
 Asset Type: Hospitality  
 Number of Properties: 35  
 Square Feet / Units / Rooms / Acres: 4,487 Rooms  
 Percent Leased: 73%  
 LifeStage: Stabilizing  
 Investment Style: Core  
 Weighted Average Shares Outstanding: 69,654,000

Initial Offering Date: January 19, 2011  
 Number of Months Fundraising: 29  
 Anticipated Offering Close Date: January 19, 2014  
 Current Price per Share: \$11.00  
 Reinvestment Price per Share: Not Applicable

### Historical Price



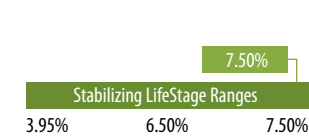
### Gross Dollars Raised\*



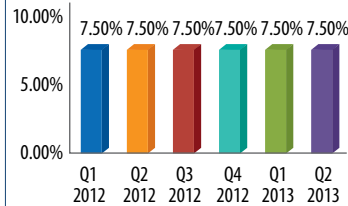
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: 7.50%



### Historical Distribution

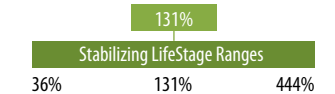


### Contact Information

[www.AppleREITTen.com](http://www.AppleREITTen.com)  
 814 E. Main Street  
 Richmond, VA 23219  
 804-727-6321

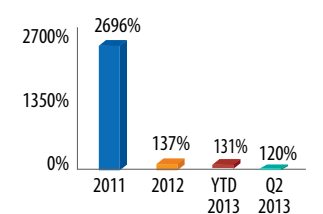
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: 131%



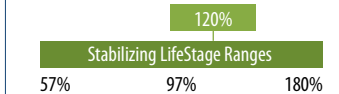
YTD Distributions Paid: \$27,961,000  
 YTD FFO: \$21,408,000

### Historical FFO Payout Ratio



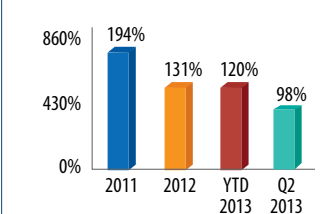
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: 120%

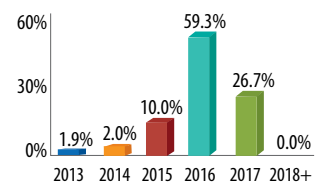


YTD Distributions Paid: \$27,961,000  
 YTD MFFO: \$23,377,000  
 Company Reported MFFO - see notes

### Historical MFFO Payout Ratio



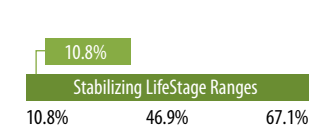
### Debt Repayment Schedule\*



\*As of 12/31/12

### Current Debt Ratio

Debt to Total Assets Ratio: 10.8%

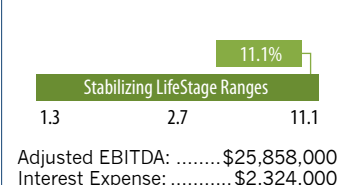


### Debt Breakdown

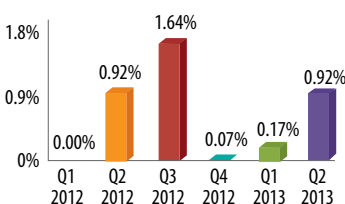
Total: \$80.4 Million  
 Fixed: \$80.4 Million  
 Variable: \$0.0 Million  
 Avg. Wtd. Rate: 0.0% - 6.9%  
 Term: 2 - 20 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: 11.1



### Redemptions



### Lease Expirations

Not Applicable

### Trends and Items of Note

- The REIT purchased one property for a total of \$18.0 million during the second quarter of 2013.
- On July 26, 2013, the Company entered into an unsecured revolving credit facility with a commercial bank, which provides for an initial \$75 million revolving credit facility that may be increased to \$100 million, subject to certain conditions.
- The Cash to Total Assets ratio declined to 8.7% as of 2Q 2013 compared to 16.8% as of 2Q 2012.
- The Interest Coverage Ratio increased to 11.1x as of 2Q 2013 compared to 7.8x as of 2Q 2012.
- The Company did not report MFFO according to the IPA Guidelines however; Blue Vault Partners did not identify any adjustments to the REIT's reported MFFO.
- See additional notes on page 98 for information regarding the source of distributions.

## Nontraded REIT Industry Review: Second Quarter 2013



## ARC Realty Finance Trust, Inc.

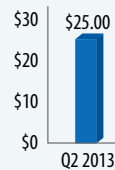
Total Assets.....	\$4.2 Million
Real Estate Assets .....	\$4.0 Million
Cash .....	\$0.2 Million
Securities .....	\$0.0 Million
Other .....	\$0.0 Million



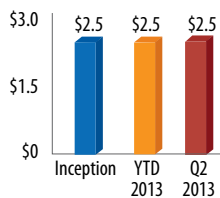
Initial Offering Date: .....	February 12, 2013
Number of Months Fundraising: .....	4
Anticipated Offering Close Date: .....	February 12, 2015
Current Price per Share: .....	\$25.00
Reinvestment Price per Share: .....	\$23.75

Cash to Total Assets Ratio: ..... 4.8%  
 Asset Type: ..... Debt Investments & Securities  
 Number of Investments:..... 1 Mezzanine Loan  
 Square Feet / Units / Rooms / Acres:..... Not Applicable  
 Percent Leased: ..... Not Applicable  
 LifeStage:..... Emerging  
 Investment Style: ..... Debt  
 Weighted Average Shares Outstanding: ..... 101,990

## Historical Price



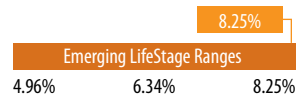
## Gross Dollars Raised\*



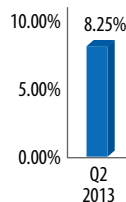
\*Includes reinvested distributions (in millions)

## Current Distribution

Current Distribution Yield: ... 8.25%



## Historical Distribution



## Contact Information

[www.AmericanRealtyCap.com](http://www.AmericanRealtyCap.com)  
**American Realty Capital**  
**405 Park Avenue**  
**New York, NY 10022**  
**(212) 415-6500**

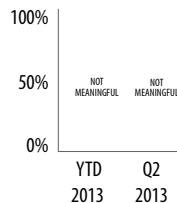
## Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL



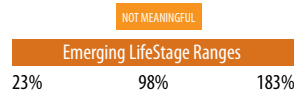
YTD Distributions Paid:..... \$1,034  
 YTD FFO: ..... (\$145,151)

## Historical FFO Payout Ratio



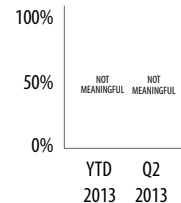
## Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

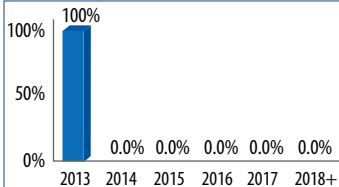


YTD Distributions Paid:..... \$1,034  
 YTD MFFO: ..... (\$105,974)  
 Company Reported MFFO - see notes

## Historical MFFO Payout Ratio

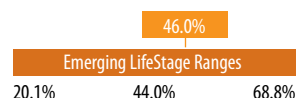


## Debt Repayment Schedule



## Current Debt Ratio

Debt to Total Assets Ratio: ... 46.0%



## Debt Breakdown

Total: ..... \$2.0 Million  
 Fixed: ..... \$2.0 Million  
 Variable: ..... \$0.0 Million  
 Avg. Wtd. Rate: ..... 3.25%  
 Term: ..... 1 yr

## Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL



Adjusted EBITDA: ..... (\$136,000)  
 Interest Expense: ..... \$9,000

## Redemptions



## Lease Expirations

Not Applicable

## Trends and Items of Note

- On May 14, 2013, the Company commenced business operations after raising in excess of \$2 million of equity, the amount required for the Company to release equity proceeds from escrow.
- On May 13, 2013, the Company declared a distribution rate, which will be calculated based on stockholders of record each day during the applicable period at a rate of \$0.00565068493 per day based on a price of \$25.00 per share of common stock. The distributions began to accrue on May 30, 2013 and will be payable by the fifth day following the end of each month to stockholders of record at the close of business each day during the prior month.
- On May 15, 2013, the Company acquired a mezzanine loan in the amount of \$6.5 million secured by the pledge of certain ownership interests in the owner and subtenant of the W Minneapolis - The Foshy hotel located in Minneapolis, Minnesota. The Loan was originated by an unrelated third party in connection with a \$51.0 million senior loan which is secured by the fee simple interest in the Property. The Loan and Senior Loan total a 77% loan-to-appraised value ratio in relationship to the Property and were made to allow the owner of the Property to refinance certain other borrowings.
- This REIT has limited trend data due to the fact that it began operations in 2Q 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Bluerock Multifamily Growth REIT, Inc.

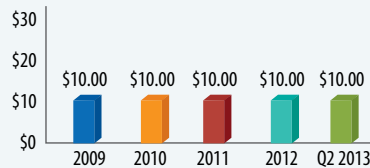
Total Assets	\$159.2 Million
Real Estate Assets	\$153.9 Million
Cash	\$1.7 Million
Securities	\$0.0 Million
Other	\$3.6 Million



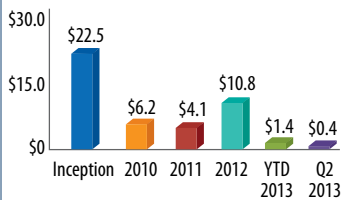
Initial Offering Date:	October 15, 2009
Number of Months Fundraising:	44
Anticipated Offering Close Date:	September 9, 2013
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	1.1%
Asset Type:	Multifamily
Number of Properties:	7
Square Feet / Units / Rooms / Acres:	1,370,926 Sq. Ft. Or 1,453 Units
Percent Leased:	95.0%
LifeStage:	Growth
Investment Style:	Core
Weighted Average Shares Outstanding:	2,344,420

### Historical Price



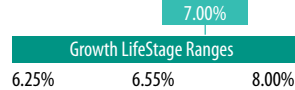
### Gross Dollars Raised\*



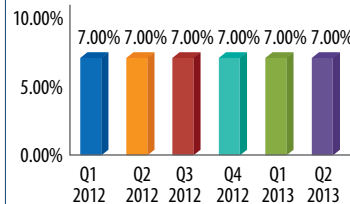
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

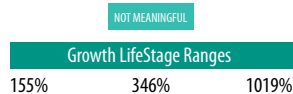


### Contact Information

[www.BlueRockRE.com](http://www.BlueRockRE.com)  
**Bluerock Multifamily Growth REIT, Inc.**  
 c/o Bluerock Real Estate, LLC  
 712 Fifth Avenue, 9th Floor  
 New York, NY 10019  
 (877) 826-2583

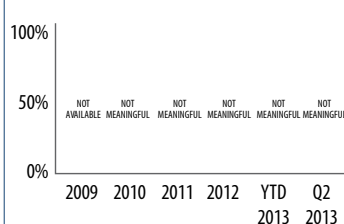
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL



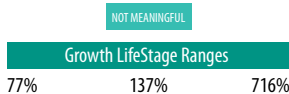
YTD Distributions Paid:..... \$798,644  
 YTD FFO:..... (\$1,005,932)

### Historical FFO Payout Ratio



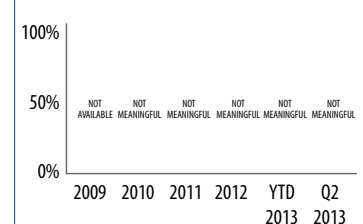
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

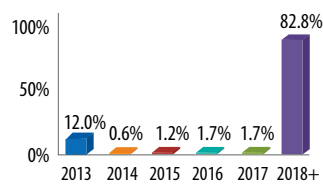


YTD Distributions Paid:..... \$798,644  
 YTD MFFO:..... (\$865,829)  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Repayment Schedule

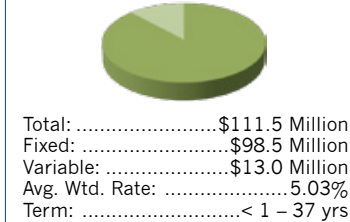


### Current Debt Ratio

Debt to Total Assets Ratio: ... 70.0%



### Debt Breakdown



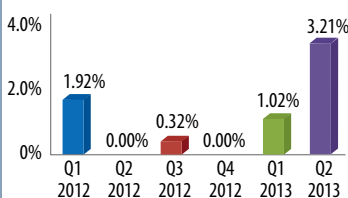
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.1



Adjusted EBITDA: ..... \$2,822,000  
 Interest Expense: ..... \$2,568,000

### Redemptions



### Lease Expirations



### Trends and Items of Note

- The Company changed its name from Bluerock Enhanced Multifamily Trust on February 22, 2013.
- For the period April 12, 2013 through May 6, 2013, the Company had not sold any shares of common stock.
- On August 29, 2013, the Company distributed communications to its investors informing them of several recent decisions made by the Board of Directors. On July 3, 2013, BMG publicly announced its decision to explore strategic alternatives to enhance the growth of its portfolio. In connection with the Board's review of strategic alternatives, the Board determined that it is in BMG and its shareholders' best interests to terminate the registered follow-on offering of its common stock and BMG's distribution reinvestment plan, effective as of September 9, 2013.
- During the second quarter of 2013, the REIT did not acquire any properties.
- The Interest Coverage ratio improved to 1.1x as of 2Q 2013 compared to a ratio that was not meaningful due to a negative EBITDA as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.

## Nontraded REIT Industry Review: Second Quarter 2013



## Carey Watermark Investors Incorporated

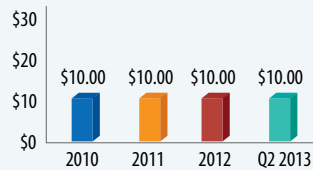
Total Assets.....	\$618.9 Million
Real Estate Assets .....	\$497.7 Million
Cash.....	\$93.4 Million
Securities .....	\$0.0 Million
Other.....	\$27.8 Million



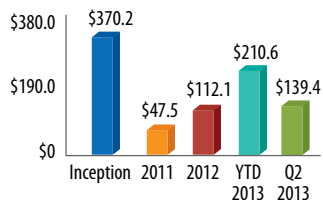
Cash to Total Assets Ratio: .....	15.1%
Asset Type: .....	Hospitality
Number of Properties:.....	16
Square Feet / Units / Rooms / Acres:.....	2,988 Rooms
Percent Leased: .....	76.4%
LifeStage:.....	Stabilizing
Investment Style: .....	Value Add
Weighted Average Shares Outstanding: .....	30,414,270

Initial Offering Date: .....	September 15, 2010
Number of Months Fundraising: .....	34
Anticipated Offering Close Date: .....	September 15, 2013
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

## Historical Price



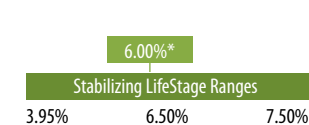
## Gross Dollars Raised\*



\*Includes reinvested distributions (in millions)

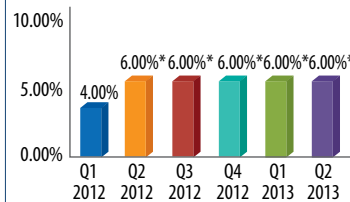
## Current Distribution

Current Distribution Yield: ..6.00%\*



\*See notes.

## Historical Distribution

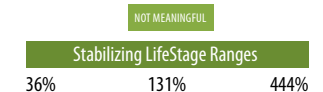


\*See notes.

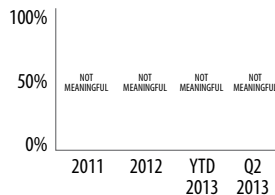
## Contact Information

[www.CareyWatermark.com](http://www.CareyWatermark.com)  
**W. P. Carey Inc.**  
**50 Rockefeller Plaza**  
**New York, NY 10020**  
**800-WP CAREY**

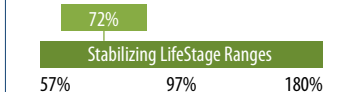
## Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO: NOT MEANINGFULYTD Distributions Paid: ... \$4,143,000  
YTD FFO: ..... (\$6,402,000)

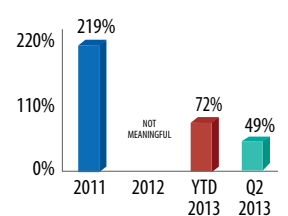
## Historical FFO Payout Ratio



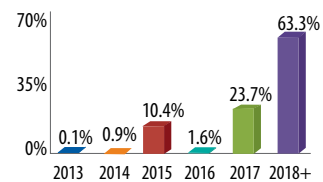
## Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: ....72%YTD Distributions Paid: ... \$4,143,000  
YTD MFFO: ..... \$5,786,000  
Company Reported MFFO – see notes

## Historical MFFO Payout Ratio

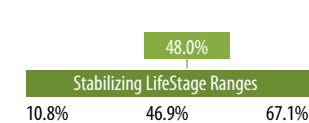


## Debt Repayment Schedule



## Current Debt Ratio

Debt to Total Assets Ratio: .... 48.0%

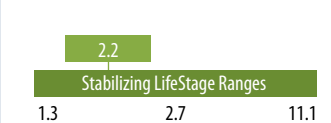


## Debt Breakdown

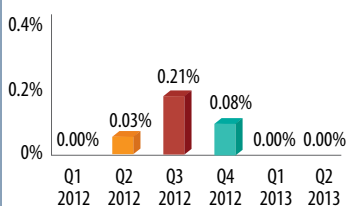
Total: .....	\$297.4 Million
Fixed: .....	\$297.4 Million
Variable: .....	\$0 Million
Avg. Wtd. Rate: .....	4.55%
Term: .....	2 – 10 years

## Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.2

Adjusted EBITDA: ..... \$8,590,000  
Interest Expense: ..... \$3,836,000

## Redemptions



## Lease Expirations

Not Applicable

## Trends and Items of Note

- The percentage leased information reported above is for the Company's consolidated hotel properties only.
- The primary offering is scheduled to terminate on September 15, 2013. As a result, the Company currently intends to cease accepting new orders for shares of common stock no later than August 30, 2013.
- The REIT acquired two properties during 2Q 2013 for a total purchase price of \$186.6 million.
- The second quarter 2013 declared daily distribution was \$0.0016483 per share, comprised of \$0.0013736 per day payable in cash and \$0.0002747 per day payable in shares of our common stock, which equated to \$0.6000 per share on an annualized basis and was paid on July 15, 2013 to stockholders of record on each day during the second quarter.
- The Cash to Total Assets ratio decreased to 15.1% as of 2Q 2013 from 27.2% as of 2Q 2012.
- Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$80.2 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.





# Nontraded REIT Industry Review: Second Quarter 2013

## Carter Validus Mission Critical REIT, Inc.

Total Assets.....	\$660.3 Million
Real Estate Assets .....	\$600.7 Million
Cash .....	\$43.8 Million
Securities .....	\$0.0 Million
Other .....	\$15.8 Million



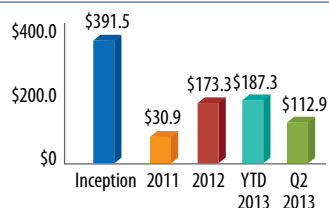
Initial Offering Date: .....	December 10, 2010
Number of Months Fundraising: .....	30
Anticipated Offering Close Date: .....	December 10, 2013
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: ..... 6.6%  
 Asset Type: ..... Data Center and Healthcare  
 Number of Properties: ..... 18  
 Square Feet / Units / Rooms / Acres: ..... 1.54 Million Sq. Ft.  
 Percent Leased: ..... 100%  
 LifeStage: ..... Stabilizing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 33,844,471

### Historical Price

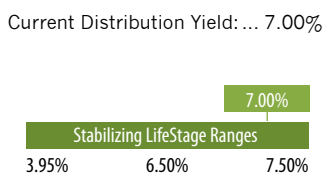


### Gross Dollars Raised\*

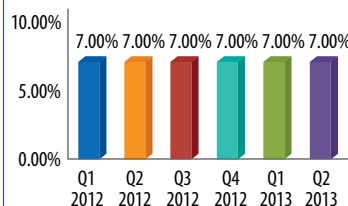


\*Includes reinvested distributions (in millions)

### Current Distribution



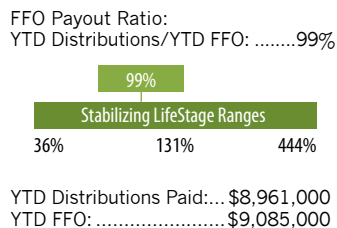
### Historical Distribution



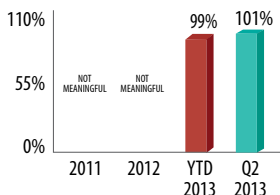
### Contact Information

[www.CVMissionCriticalReit.com](http://www.CVMissionCriticalReit.com)  
**Carter Validus Mission Critical REIT, Inc.**  
 c/o DST Systems, Inc.  
 P.O. Box 219731  
 Kansas City, MO 64121-9731  
 888-292-3178

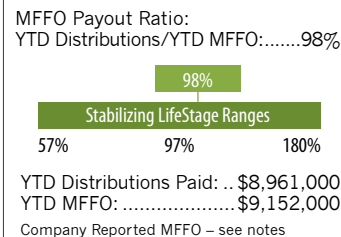
### Year to Date FFO Payout Ratio



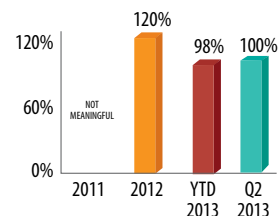
### Historical FFO Payout Ratio



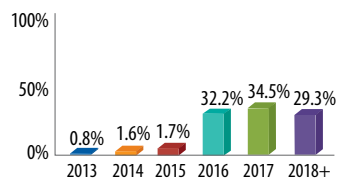
### Year to Date MFFO Payout Ratio



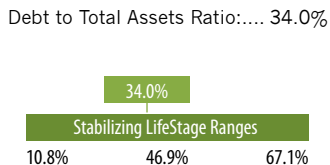
### Historical MFFO Payout Ratio



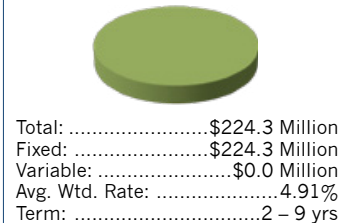
### Debt Repayment Schedule



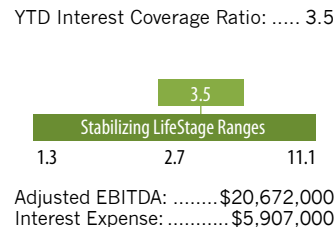
### Current Debt Ratio



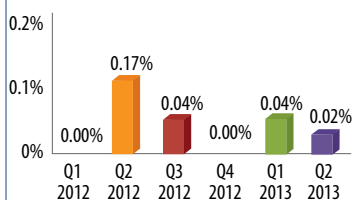
### Debt Breakdown



### Interest Coverage Ratio



### Redemptions



### Lease Expirations

Weighted average remaining lease term of 14.9 years

### Trends and Items of Note

- The REIT moved into the Stabilizing LifeStage as it prepares to close to new investments in December 2013.
- The REIT acquired four properties during 2Q 2013 for a total purchase price of \$46.4 million.
- The Company's debt to total assets ratio decreased to 34.0% as of 2Q 2013 compared to 37.8% as of 2Q 2012.
- The Interest Coverage Ratio increased to 3.5x as of 2Q 2013 compared to 3.0x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.

## Nontraded REIT Industry Review: Second Quarter 2013



## CNL Growth Properties, Inc.

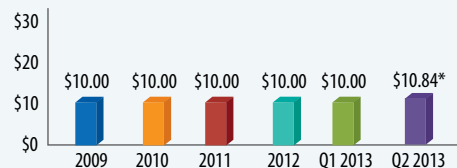
Total Assets.....	\$180.2 Million
Real Estate Assets .....	\$150.7 Million
Cash .....	\$24.5 Million
Securities .....	\$0.0 Million
Other .....	\$5.0 Million



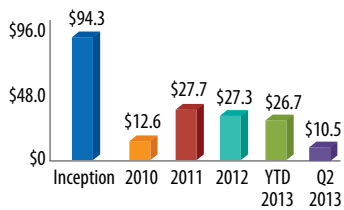
Cash to Total Assets Ratio: ..... 13.6%  
 Asset Type: ..... Multifamily  
 Number of Properties: ..... 9  
 Square Feet / Units / Rooms / Acres:.. 263,742 Sq. Ft.; 2401 Units  
 Percent Leased: ..... See Notes  
 LifeStage: ..... Stabilizing  
 Investment Style ..... Opportunistic  
 Weighted Average Shares Outstanding: ..... 10,468,542

Initial Offering Date: ..... October 20, 2009  
 Number of Months Fundraising: ..... 44  
 Anticipated Offering Close Date: ..... December 31, 2013  
 Current Price per Share: ..... \$10.84\*  
 Reinvestment Price per Share: ..... \$10.30

## Historical Price



## Gross Dollars Raised\*

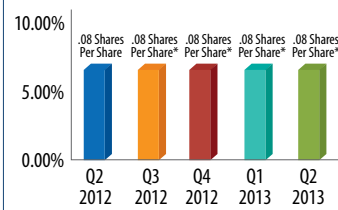


\*Includes reinvested distributions (in millions)

## Current Distribution

Annual Stock Distributions of  
 .08 Shares Per Share

## Historical Distribution



\*Annualized

## Contact Information

[www.CNLGrowthProperties.com](http://www.CNLGrowthProperties.com)  
 CNL Client Services  
 P.O. Box 4920  
 Orlando, FL 32802  
 866-650-0650

## Year to Date FFO Payout Ratio

Not Applicable

## Historical FFO Payout Ratio

Not Applicable

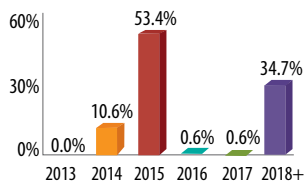
## Year to Date MFFO Payout Ratio

Not Applicable

## Historical MFFO Payout Ratio

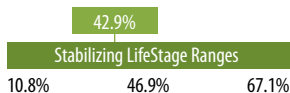
Not Applicable

## Debt Repayment Schedule



## Current Debt Ratio

Debt to Total Assets Ratio: ... 42.9%



## Debt Breakdown

Total: ..... \$77.3 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$77.3 Million  
 Avg. Wtd. Rate: ..... 2.82%  
 Term: ..... 1 – 10 yrs

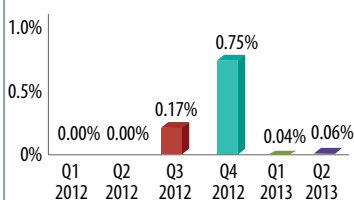
## Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.3



Adjusted EBITDA: ..... \$205,322  
 Interest Expense: ..... \$155,319

## Redemptions



## Lease Expirations

Not Applicable

## Trends and Items of Note

- In July 2013, the Company established an offering price of \$10.84 per share for the Follow-On Offering. The Company expects to sell shares of its common stock in the Follow-On Offering until the earlier of the date on which the maximum offering amount has been sold, or December 31, 2013.
- For two of the operating multifamily properties, the percentage leased for the properties are 99% and 85%, respectively. For one of the multifamily properties under development, the current percentage leased is 27%. Occupancy rates for the remaining five multifamily properties was not reported.
- The Company expects to use its net offering proceeds as well as cash on hand as of June 30, 2013 and debt to invest in additional multifamily development properties through joint venture arrangements with multifamily developers and/or operators.
- As of June 30, 2013, the Company owned interests in eight joint ventures, two of which have completed development, and six of which are in the process of developing Class A multifamily properties located in the United States. For the six properties under development as of June 30, 2013, scheduled completion dates range from the fourth quarter of 2013 through the first quarter of 2015.
- The Company owns 100% of a multi-tenant, three building office complex, which it is currently held for sale.
- The REIT acquired one property during the 2Q 2013 for \$4.05 million.
- The Debt to Total Assets ratio increased to 42.9% as of 2Q 2013 compared to 27.8% as of 2Q 2012.
- Because the Company does not pay cash distributions, the FFO and MFFO ratios are not applicable.



# Nontraded REIT Industry Review: Second Quarter 2013

## CNL Healthcare Properties, Inc.

Total Assets.....	\$466.5 Million
Real Estate Assets .....	\$386.7 Million
Cash .....	\$55.1 Million
Securities .....	\$0.0 Million
Other .....	\$24.7 Million



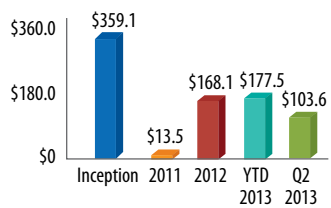
Initial Offering Date: .....	June 27, 2011
Number of Months Fundraising: .....	24
Anticipated Offering Close Date: .....	June 27, 2014
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: ..... 11.8%  
 Asset Type: ..... Senior Housing  
 Number of Properties: ..... 35  
 Square Feet / Units / Rooms / Acres: 1,065 units & 237,852 Sq. Ft.  
 Percent Leased: ..... 87.2%  
 LifeStage: ..... Growth  
 Investment Style ..... Core  
 Weighted Average Shares Outstanding: ..... 30,811,974

### Historical Price



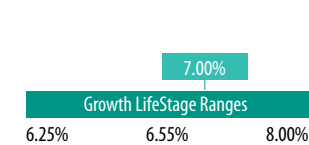
### Gross Dollars Raised\*



\*Includes reinvested distributions (in millions)

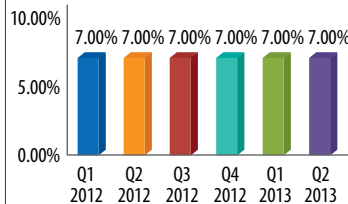
### Current Distribution

Current Distribution Yield:..... 7.00%



\*See Notes

### Historical Distribution



\*See Notes

### Contact Information

[www.CNLHealthcareTrust.com](http://www.CNLHealthcareTrust.com)  
**CNL Client Services**  
**450 South Orange Ave.**  
**Orlando, FL 32801**  
**866-650-0650**

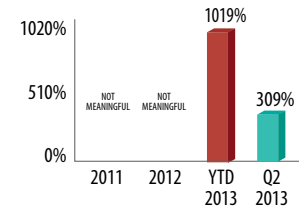
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: .... 1019%



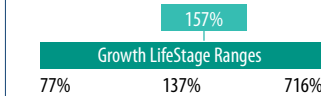
YTD Distributions Paid:..\$4,977,334  
 YTD FFO: ..... \$488,692

### Historical FFO Payout Ratio



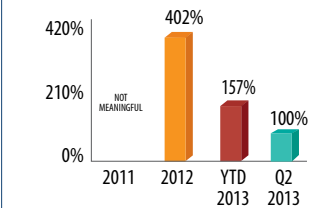
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO:..... 157%

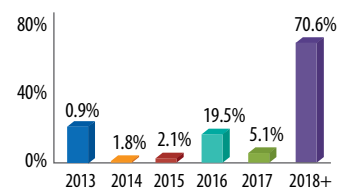


YTD Distributions Paid:..\$4,977,334  
 YTD MFFO: ..... \$3,162,343  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio

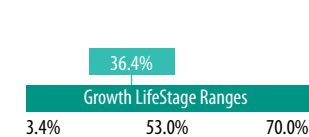


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 36.4%

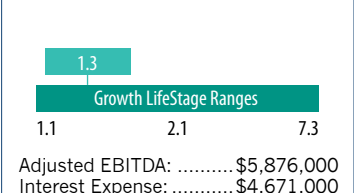


### Debt Breakdown

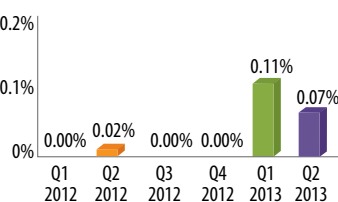
Total: .....\$169.9 Million  
 Fixed: .....\$139.9 Million  
 Variable: .....\$30.0 Million  
 Avg. Wtd. Rate: .....4.24%  
 Term: .....1 – 10 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.3



### Redemptions



### Lease Expirations

Not Reported

### Trends and Items of Note

- The board of directors authorized a distribution policy providing for monthly cash distribution of \$0.03333 (which is equal to an annualized distribution rate of 4%) together with stock distribution of 0.002500 shares of common stock (which is equal to an annualized distribution rate of 3%) for a total annualized distribution of 7% on each outstanding share of common stock (based on the \$10.00 offering price).
- The REIT acquired 7 properties during the second quarter of 2013 for a total of \$68.5 million.
- In connection with the expense support and restricted stock agreement, the Company may issue subordinated forfeitable restricted stock to the Advisor on a quarterly basis in exchange for providing expense support in the event that cash distributions declared exceed modified funds from operations as defined by the Expense Support Agreement. No Restricted Stock has been issued as of June 30, 2013, however, the Company expects to issue approximately 0.05 million shares during the third quarter of 2013 in connection with expense support of \$0.5 million that was provided during the quarter ended June 30, 2013.
- The Interest Coverage ratio increased to 1.3x as of 2Q 2013 compared to 0.5x as of 2Q 2012.
- The Debt to Total Assets ratio decreased to 36.4% as of 2Q 2013 compared to 58.0% as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Cole Corporate Income Trust, Inc.

Total Assets.....	\$963.5 Million
Real Estate Assets .....	\$922.4 Million
Cash .....	\$19.7 Million
Securities .....	\$0.0 Million
Other .....	\$21.4 Million



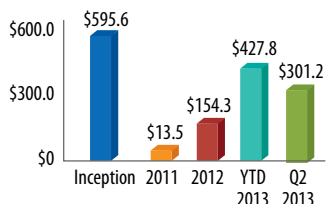
Initial Offering Date: ..... February 10, 2011  
 Number of Months Fundraising: ..... 28  
 Anticipated Offering Close Date: ..... August 30, 2013  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 2.0%  
 Asset Type: ..... Office & Industrial  
 Number of Properties: ..... 35  
 Square Feet / Units / Rooms / Acres: ..... 5.6 Million Sq. Ft.  
 Percent Leased: ..... 100%  
 LifeStage: ..... Stabilizing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 44,165,573

### Historical Price

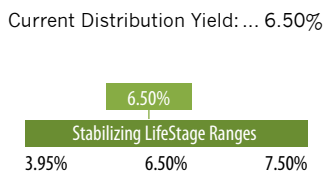


### Gross Dollars Raised\*

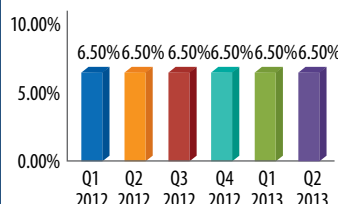


\*Includes reinvested distributions (in millions)

### Current Distribution



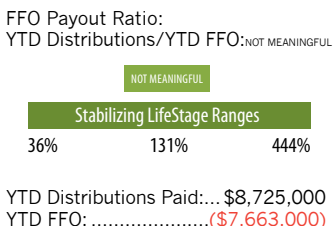
### Historical Distribution



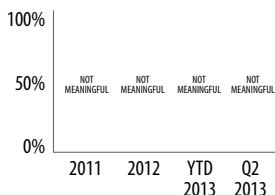
### Contact Information

[www.ColeCapital.com](http://www.ColeCapital.com)  
**Cole Corporate Income Trust, Inc.**  
 2325 East Camelback Road,  
 Suite 1100  
 Phoenix, Arizona, 85016  
 866-341-2653

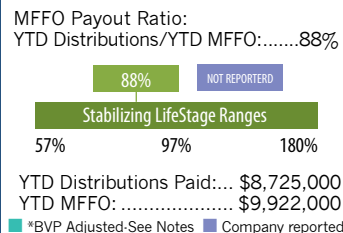
### Year to Date FFO Payout Ratio



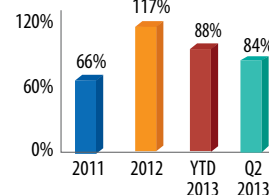
### Historical FFO Payout Ratio



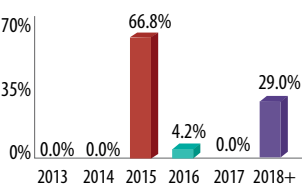
### Year to Date MFFO Payout Ratio



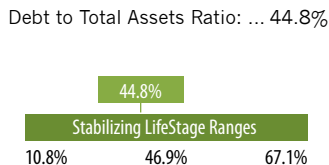
### Historical MFFO Payout Ratio



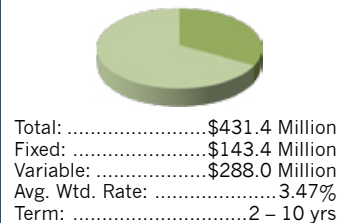
### Debt Repayment Schedule



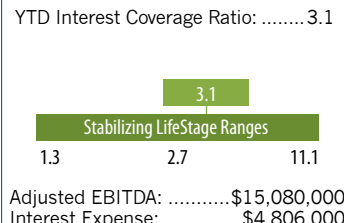
### Current Debt Ratio



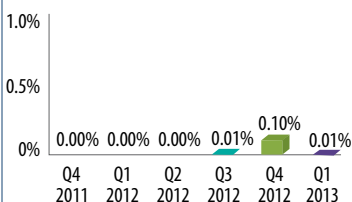
### Debt Breakdown



### Interest Coverage Ratio



### Redemptions



### Lease Expirations

Weighted average remaining lease term is 11.4 years

### Trends and Items of Note

- The Company previously disclosed that its board of directors had approved closing the primary offering on September 30, 2013. The Board later extended the date by which subscriptions must be fully funded to no later than the close of business on October 31, 2013. The September 30, 2013 deadline by which subscription agreements must be received in good order remains unchanged.
- During 2Q 2013, the Company acquired 14 properties for approximately \$539.3 million.
- The Cash to Total Assets ratio decreased significantly to 2.0% as of 2Q 2013 compared to 49.1% as of 2Q 2012.
- The Debt to Total Assets ratio increased to 44.8% as of 2Q 2013 compared to 26.9% as of 2Q 2012.
- The Company did not report MFFO for 1Q 2013. The MFFO Payout Ratios reported above were estimated by Blue Vault Partners based on the IPA Guidelines.
- See additional notes on page 99 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Cole Credit Property Trust IV, Inc.

Total Assets.....	\$1,279.0 Million
Real Estate Assets ...	\$1,243.6 Million
Cash .....	\$12.2 Million
Securities .....	\$0.0 Million
Other .....	\$23.2 Million



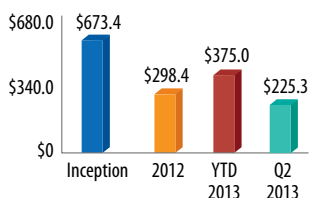
Initial Offering Date: .....	January 26, 2012
Number of Months Fundraising: .....	17
Anticipated Offering Close Date: .....	January 26, 2014
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	1.0%
Asset Type: .....	Retail
Number of Properties: .....	178
Square Feet / Units / Rooms / Acres: .....	5.8 Million Sq. Ft.
Percent Leased: .....	98%
LifeStage: .....	Growth
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	56,492,187

### Historical Price



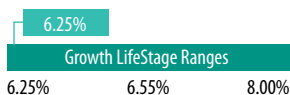
### Gross Dollars Raised\*



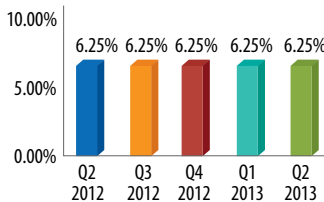
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.25%



### Historical Distribution

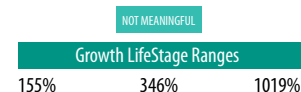


### Contact Information

**www.ColeCapital.com**  
**Cole Credit Property Trust IV, Inc.**  
**2325 East Camelback Road,**  
**Suite 1100**  
**Phoenix, Arizona, 85016**  
**866-341-2653**

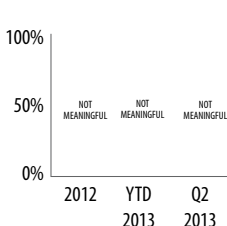
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: **NOT MEANINGFUL**



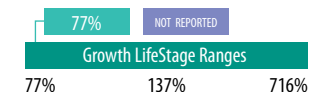
YTD Distributions Paid:.. \$12,800,000  
 YTD FFO: ....., (\$4,792,000)

### Historical FFO Payout Ratio



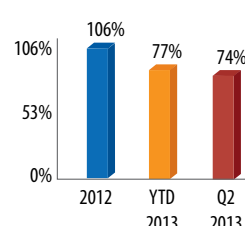
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO:.....77%

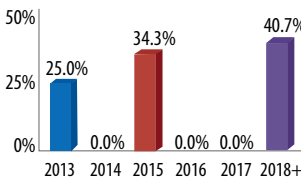


YTD Distributions Paid:..\$12,800,000  
 YTD MFFO: ....., \$16,526,000  
 ■ BVP Adjusted-See Notes ■ Company reported

### Historical MFFO Payout Ratio

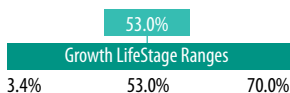


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 53.0%



### Debt Breakdown



Total: ....., \$677.4 Million  
 Fixed: ....., \$275.6 Million  
 Variable: ....., \$401.8 Million  
 Avg. Wtd. Rate: ....., 3.30%  
 Term: ....., < 1 – 10 yrs

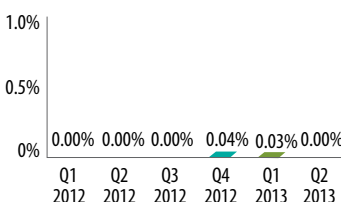
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.8



Adjusted EBITDA: ....., \$23,756,000  
 Interest Expense: ....., \$8,358,000

### Redemptions



### Lease Expirations

Weighted average lease term is 12.7 years

### Trends and Items of Note

- The Company acquired 32 properties during the second quarter of 2013 for a total purchase price of \$185.4 million.
- Subsequent to June 30, 2013, the Company entered into an amended agreement related to the Bridge Facility, which increased the maximum allowable borrowings to \$350.0 million. As of August 8, 2013, the Company had \$197.0 million outstanding under the Credit Facility and \$150.0 million outstanding under the Bridge Facility.
- Subsequent to June 30, 2013 through August 8, 2013, the Company acquired 18 commercial real estate properties for an aggregate purchase price of \$140.3 million and an \$18.7 million interest in a joint venture arrangement that acquired one multi-tenant property.
- The Debt to Total Assets ratio increased to 53.0% as of 2Q 2013 compared to 40.7% as of 2Q 2012.
- The Interest Coverage ratio increased to 2.8x as of 2Q 2013, up from 1.2x as of 2Q 2012.
- The Company did not report MFFO for 2Q 2013. The MFFO Payout Ratios reported above were estimated by Blue Vault Partners based on the IPA Guidelines.
- See additional notes on page 99 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Cole Real Estate Income Strategy (Daily NAV), Inc.

Total Assets.....	\$58.8 Million
Real Estate Assets .....	\$54.1 Million
Cash.....	\$2.9 Million
Securities .....	\$0.5 Million
Other.....	\$1.4 Million



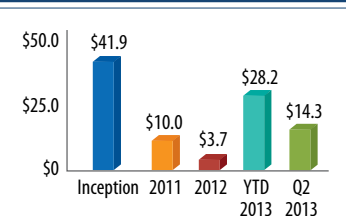
Initial Offering Date: ..... December 6, 2011  
 Number of Months Fundraising: ..... 19  
 Anticipated Offering Close Date: ..... Perpetual Life  
 Current Price per Share: ..... \$16.56  
 Reinvestment Price per Share: ..... NAV

Cash to Total Assets Ratio: ..... 4.9%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 20  
 Square Feet / Units / Rooms / Acres: ..... 309,051 Sq. Ft.  
 Percent Leased: ..... 100%  
 LifeStage: ..... Emerging  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 2,124,513

### Historical Price



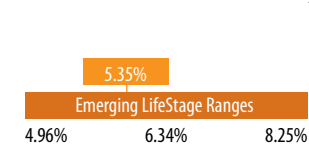
### Gross Dollars Raised\*



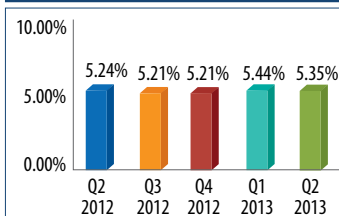
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 5.35%



### Historical Distribution



### Contact Information

[www.ColeCapital.com](http://www.ColeCapital.com)  
**Cole Real Estate Income Strategy (Daily NAV), Inc.**  
 2325 East Camelback Road,  
 Suite 1100  
 Phoenix, AZ 85016  
 (866) 341-2653

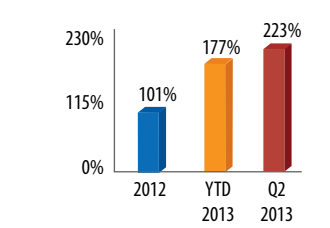
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 177%



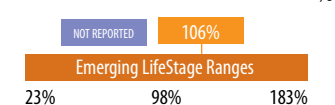
YTD Distributions Paid: ..... \$644,636  
 YTD FFO: ..... \$363,975

### Historical FFO Payout Ratio



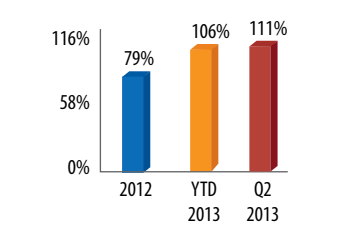
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 106%

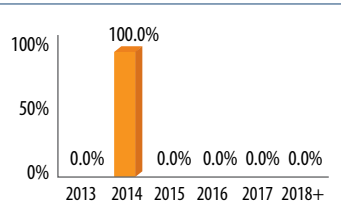


YTD Distributions Paid: ..... \$644,636  
 YTD MFFO: ..... \$607,288

### Historical MFFO Payout Ratio

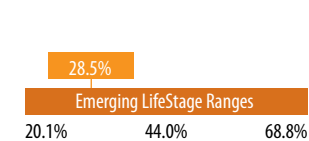


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 28.5%

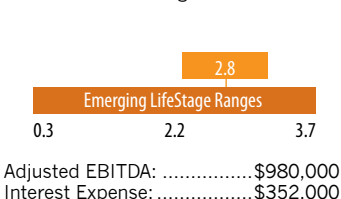


### Debt Breakdown

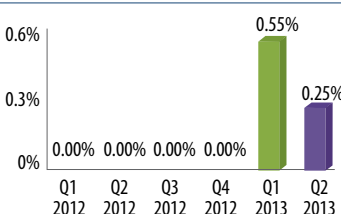
Total: ..... \$16.8 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$16.8 Million  
 Avg. Wtd. Rate: ..... 2.80%  
 Term: ..... 1 yr

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.8



### Redemptions



### Lease Expirations

Weighted average lease term is 14.7 years.

### Trends and Items of Note

- On February 13, 2013, the Company filed a registration statement to register two new classes of common stock.
- The Company acquired seven properties during the second quarter for a total purchase price of \$17.2 million.
- Subsequent to June 30, 2013, the Company acquired a 100% interest in two real estate properties for an aggregate purchase price of \$5.7 million
- All of the Company's debt is related to its Credit Facility which matures on December 8, 2014.
- The Cash to Total Assets ratio increased to 4.9% as of 2Q 2013 compared to 0.9% as of 2Q 2012.
- The Company did not report MFFO for 2Q 2013. The MFFO Payout Ratios reported above were estimated by Blue Vault Partners based on the IPA Guidelines.
- See additional notes on page 99 for information regarding the source of distributions.





# Nontraded REIT Industry Review: Second Quarter 2013

## Dividend Capital Diversified Property Fund Inc.

Total Assets.....	\$2,311.6 Million
Real Estate Assets ...	\$2,194.1 Million
Cash.....	\$31.6 Million
Securities .....	\$0.5 Million
Other.....	\$85.5 Million



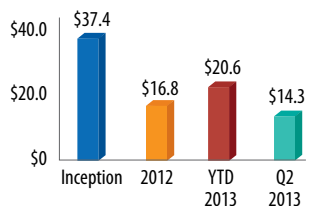
Initial Offering Date: .....	January 27, 2006
Number of Months Fundraising: .....	12
Offering Close Date: .....	Perpetual Life
Current Price per Share: .....	\$6.83
Reinvestment Price per Share: .....	\$6.83

Cash to Total Assets Ratio: ..... 1.4%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 84  
 Square Feet / Units / Rooms / Acres: ..... 15.5 Million Sq. Ft.  
 Percent Leased: ..... 96.2%  
 LifeStage: ..... Stabilizing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 178,176,000

### Historical Price

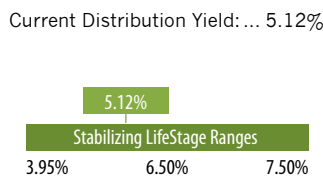


### Gross Dollars Raised\*

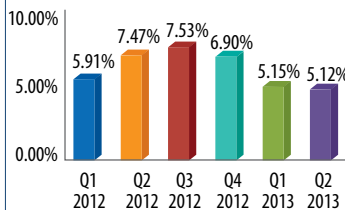


\*Includes reinvested distributions (in millions)

### Current Distribution



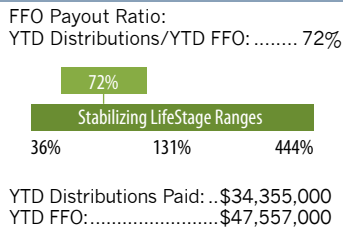
### Historical Distribution



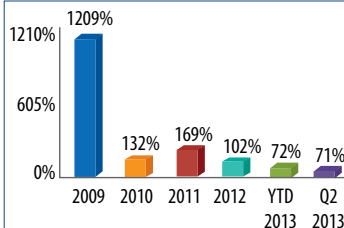
### Contact Information

**www.DividendCapital.com**  
**Dividend Capital Securities**  
**518 Seventeenth St.**  
**17th Floor**  
**Denver, CO 80202**  
**866-324-7348**

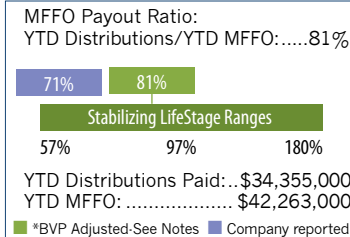
### Year to Date FFO Payout Ratio



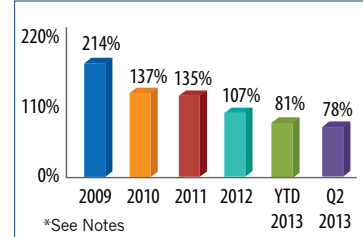
### Historical FFO Payout Ratio



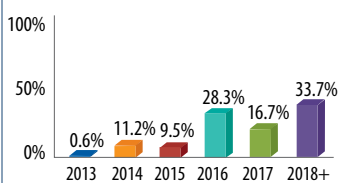
### Year to Date MFFO Payout Ratio



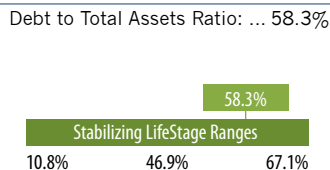
### Historical MFFO Payout Ratio



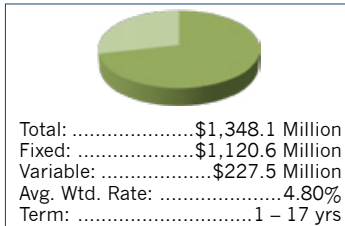
### Debt Repayment Schedule



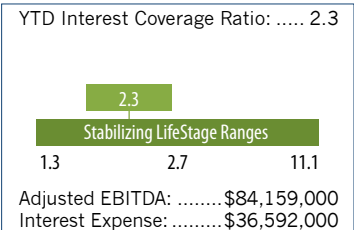
### Current Debt Ratio



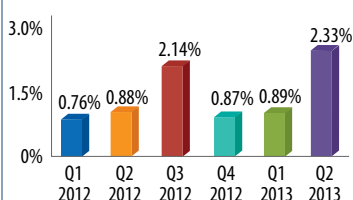
### Debt Breakdown



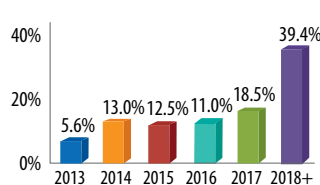
### Interest Coverage Ratio



### Redemptions



### Lease Expirations



### Trends and Items of Note

- The Company was originally closed to new investments in 2009. All sales figures noted above are as of the new offering period which began on July 12, 2012.
- Distribution yield of 5.12% is based on the new share price of \$6.83 as of June 30, 2013.
- During 2Q 2013, the Company sold nine properties for approximately \$111.4 million.
- The Company's Debt to Total Assets ratio decreased to 58.3% as of 2Q 2013 compared to 60.3% as of 2Q 2012.
- The Company did not report MFFO according to the IPA Guidelines. The ratios presented above reflect both the Blue Vault's estimate based on the IPA Guidelines as well as the ratio based on the Company -Defined FFO in order to provide a more thorough comparison of the two.
- See additional notes on page 99 for information regarding the source of distributions.

## Nontraded REIT Industry Review: Second Quarter 2013



## Griffin Capital Essential Asset REIT, Inc.

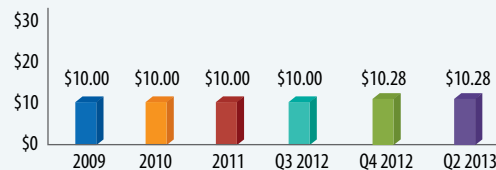
Total Assets.....	\$550.0 Million
Real Estate Assets .....	\$520.8 Million
Cash.....	\$2.7 Million
Securities .....	\$0.0 Million
Other.....	\$26.4 Million



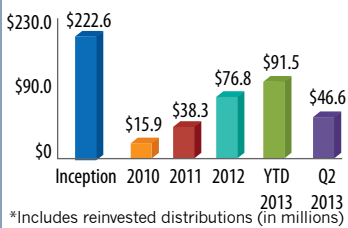
Cash to Total Assets Ratio: ..... 0.5%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 20  
 Square Feet / Units / Rooms / Acres: ..... 4.3 Million Sq. Ft.  
 Percent Leased: ..... 100.0%  
 LifeStage: ..... Stabilizing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 19,954,131

Initial Offering Date: ..... November 6, 2009  
 Number of Months Fundraising: ..... 44  
 Anticipated Offering Close Date: ..... April 26, 2015  
 Current Price per Share: ..... \$10.28  
 Reinvestment Price per Share: ..... \$9.77

## Historical Price

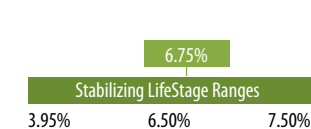


## Gross Dollars Raised\*

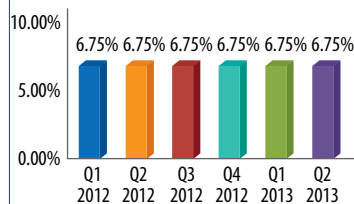


## Current Distribution

Current Distribution Yield: ... 6.75%



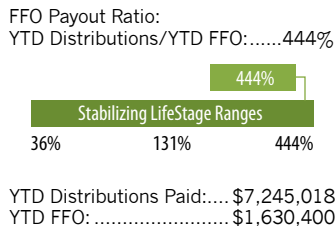
## Historical Distribution



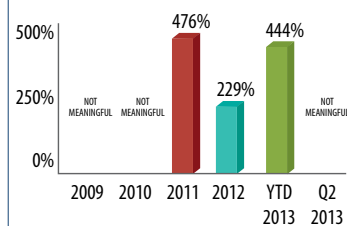
## Contact Information

[www.GriffinCapital.com](http://www.GriffinCapital.com)  
**Griffin Capital Securities, Inc.**  
 2121 Rosencrans Avenue  
 Suite 3321  
 El Segundo, CA 90245  
 (310) 606-5900

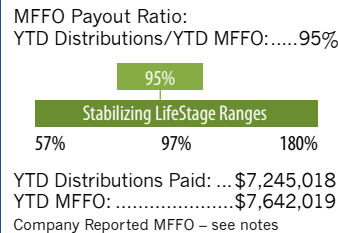
## Year to Date FFO Payout Ratio



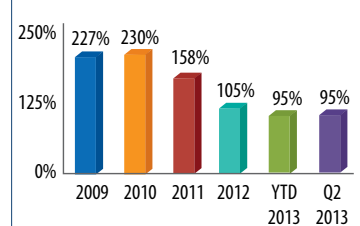
## Historical FFO Payout Ratio



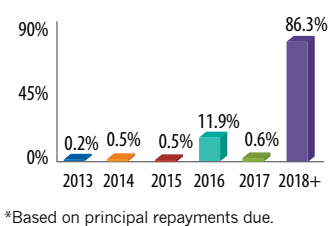
## Year to Date MFFO Payout Ratio



## Historical MFFO Payout Ratio

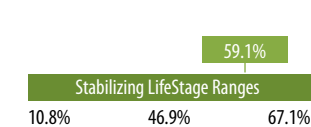


## Debt Repayment Schedule\*

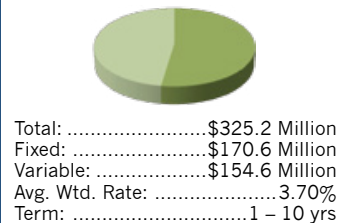


## Current Debt Ratio

Debt to Total Assets Ratio: ... 59.1%

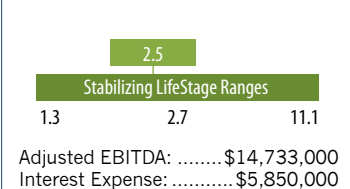


## Debt Breakdown

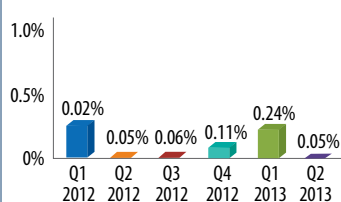


## Interest Coverage Ratio

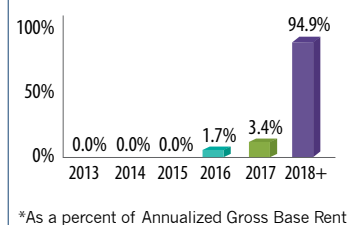
YTD Interest Coverage Ratio: ..... 2.5



## Redemptions



## Lease Expirations\*



## Trends and Items of Note

- The Company changed its name from Griffin Capital Net Lease REIT, Inc. to Griffin Capital Essential Asset REIT, Inc. effective February 25, 2013. On February 15, 2013, the offering price of the common stock being sold pursuant to the current public offering increased from \$10.00 per share to \$10.28 per share.
- The Company purchased four properties during 2Q 2013 for a total of \$174.9 million.
- On January 31, 2013, following the determination of the per share offering price, the board of directors declared a new daily distribution rate of \$0.001901096, effective as of February 15, 2013. The new rate results in a 2.81% increase in the distribution rate from \$0.675 per share per year to \$0.694 per share per year (assuming the share was purchased for \$10.00) payable to stockholders as of the close of each business day from February 15, 2013 through March 31, 2013. The annualized distribution rate for stockholders purchasing shares at the new offering price of \$10.28 will be equivalent to 6.75% per share per year.
- The Cash to Total Assets ratio decreased to 0.5% as of 2Q 2013 compared to 1.5% as of 2Q 2012.
- The Debt to Total Assets ratio decreased to 59.1% as of 2Q 2013 compared to 62.7% as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 99 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Griffin-American Healthcare REIT II, Inc.

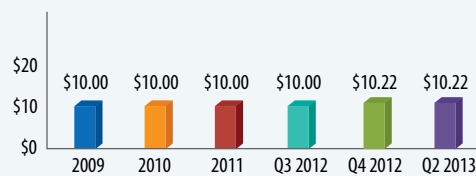
Total Assets.....	\$1,875.5 Million
Real Estate Assets ...	\$1,307.9 Million
Cash.....	\$255.6 Million
Securities .....	\$0.0 Million
Other.....	\$312.0 Million



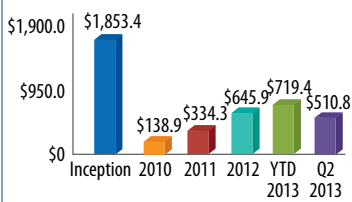
Initial Offering Date: .....	August 24, 2009
Number of Months Fundraising: .....	46
Anticipated Offering Close Date: .....	October 15, 2013
Current Price per Share: .....	\$10.22
Reinvestment Price per Share: .....	\$9.71

Cash to Total Assets Ratio: .....	13.6%
Asset Type: .....	Medical Office/ Healthcare Related
Number of Properties:.....	174
Square Feet / Units / Rooms / Acres:.....	6.6 Million Sq. Ft.
Percent Leased: .....	96.0%
LifeStage:.....	Stabilizing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	155,827,697

### Historical Price



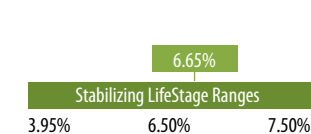
### Gross Dollars Raised\*



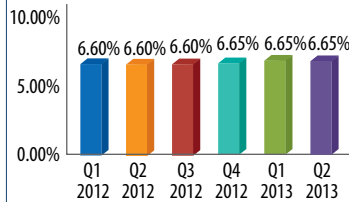
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.65%



### Historical Distribution

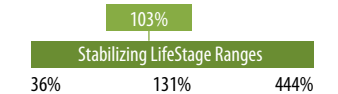


### Contact Information

**www.HealthcareREIT2.com**  
**Griffin-American Healthcare REIT II, Inc.**  
**4000 MacArthur Boulevard**  
**West Tower, Suite 200**  
**Newport Beach, CA 92660**  
**866-606-5901**

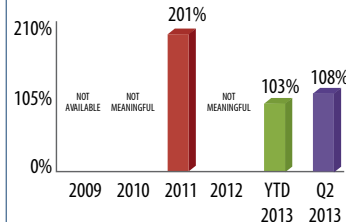
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO:.....103%



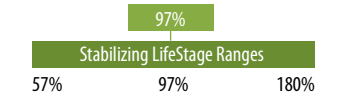
YTD Distributions Paid:.. \$43,938,000  
YTD FFO: .....

### Historical FFO Payout Ratio



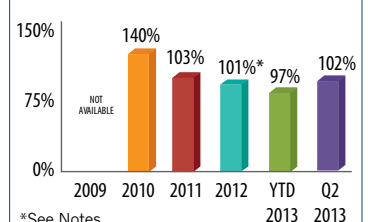
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
YTD Distributions/YTD MFFO:.....97%



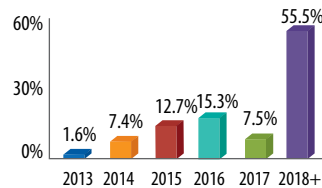
YTD Distributions Paid: \$43,938,000  
YTD MFFO: .....

### Historical MFFO Payout Ratio



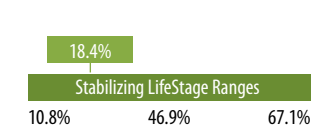
\*See Notes

### Debt Repayment Schedule

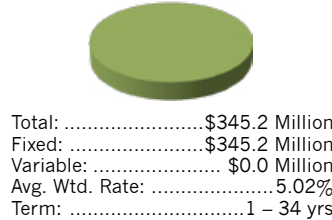


### Current Debt Ratio

Debt to Total Assets Ratio: ... 18.4%

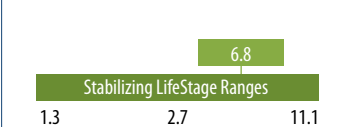


### Debt Breakdown



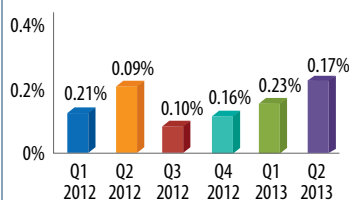
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 6.8



Adjusted EBITDA: ..... \$58,740,000  
Interest Expense: ..... \$8,670,000

### Redemptions



### Lease Expirations

Average lease term remaining is 8.7 yrs

### Trends and Items of Note

- On February 14, 2013, the REIT commenced a follow-on offering at a price of \$10.22 per share for common stock and \$9.71 per share pursuant to the distribution reinvestment plan.
- The board of directors anticipates that the maximum follow-on offering amount of \$1,650,000,000 will be sold and we will terminate the follow-on offering on or around October 15, 2013.
- During 2Q 2013, the Company purchased 21 properties for a total of \$141.4 million.
- The REIT's Interest Coverage Ratio increased to 6.8x as of 2Q 2013 compared to 4.5x as of 2Q 2012.
- The Company hedged \$16.1 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 99 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Hartman Short Term Income Properties XX, Inc.

Total Assets.....	\$53.4 Million
Real Estate Assets .....	\$51.5 Million
Cash .....	\$0.1 Million
Securities .....	\$0.0 Million
Other .....	\$1.8 Million



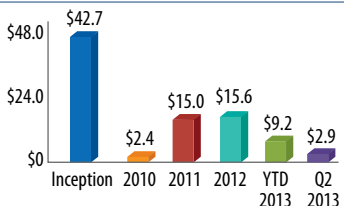
Cash to Total Assets Ratio: ..... 0.2%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 4  
 Square Feet / Units / Rooms / Acres: ..... 605,000 Sq. Ft.  
 Percent Leased: ..... 66.2%  
 LifeStage: ..... Growth  
 Investment Style: ..... Value Add  
 Weighted Average Shares Outstanding: ..... 4,424,440

Initial Offering Date: ..... February 9, 2010  
 Number of Months Fundraising: ..... 40  
 Anticipated Offering Close Date: ..... July 15, 2016  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

### Historical Price



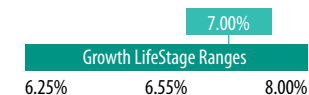
### Gross Dollars Raised\*



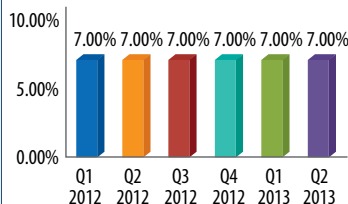
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

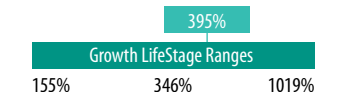


### Contact Information

[www.hi-reit.com](http://www.hi-reit.com)  
**Hartman Income REIT**  
 2909 Hillcroft, Suite 420  
 Houston, Texas 77057  
 Toll Free: 800-880-2212

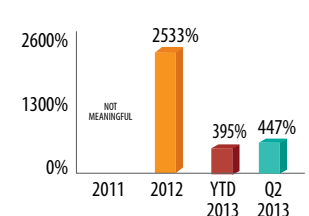
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 395%



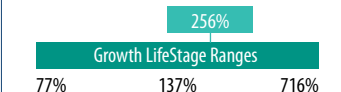
YTD Distributions Paid: ..... \$1,388,305  
 YTD FFO: ..... \$351,339

### Historical FFO Payout Ratio



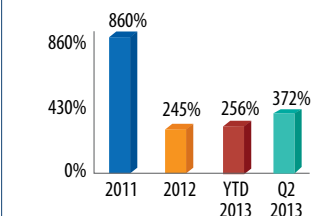
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ..... 256%

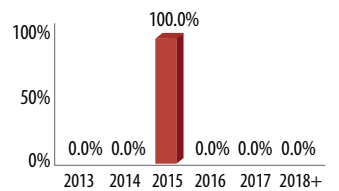


YTD Distributions Paid: ..... \$1,388,305  
 YTD MFFO: ..... \$542,709  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio

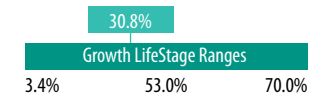


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: 30.8%

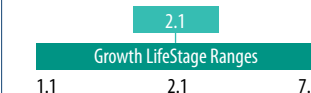


### Debt Breakdown

Total: ..... \$16.5 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$16.5 Million  
 Avg. Wtd. Rate: ..... 5.00%  
 Term: ..... 2 yrs

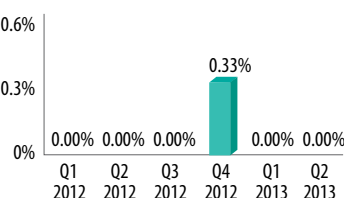
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.1

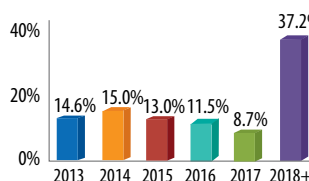


Adjusted EBITDA: ..... \$1,021,000  
 Interest Expense: ..... \$479,000

### Redemptions



### Lease Expirations



### Trends and Items of Note

- On April 25, 2013, the Company stopped accepting subscriptions for the sale of its common stock pursuant to its initial public offering due to the fact the Company's offering prospectus is no longer deemed effective under the Securities Act of 1933.
- On July 16, 2013, the SEC declared the Company's follow-on offering registration statement effective and the Company recommenced offering of its common shares as of that date.
- The Interest Coverage Ratio increased to 2.1x as of 2Q 2013 compared to 1.4x in 2Q 2012.
- The Debt to Total Assets ratio declined to 30.8% as of 2Q 2013 compared to 31.9% as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 99 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Hines Global REIT, Inc.

Total Assets.....	\$3,160.2 Million
Real Estate Assets ...	\$2,337.9 Million
Cash.....	\$117.2 Million
Securities .....	\$0.0 Million
Other.....	\$705.1 Million



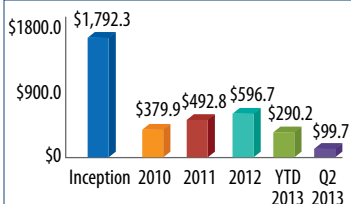
Initial Offering Date: .....	August 5, 2009
Number of Months Fundraising: .....	47
Anticipated Offering Close Date: .....	February 4, 2015
Current Price per Share: .....	\$10.28
Reinvestment Price per Share: .....	\$9.77

Cash to Total Assets Ratio: ..... 3.7%  
 Asset Type: ..... Office, Mixed-Use, Industrial & Retail  
 Number of Properties:..... 29 Properties and 4 Joint Ventures  
 Square Feet / Units / Rooms / Acres:..... 10.0 Million Sq. Ft.  
 Percent Leased: ..... 97.0%  
 LifeStage:..... Stabilizing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 171,772,000

### Historical Price

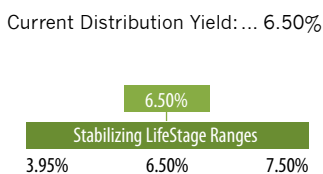


### Gross Dollars Raised\*

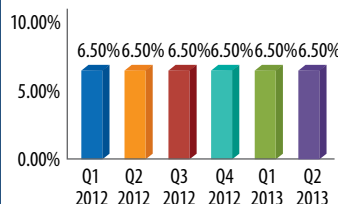


\*Includes reinvested distributions (in millions)

### Current Distribution



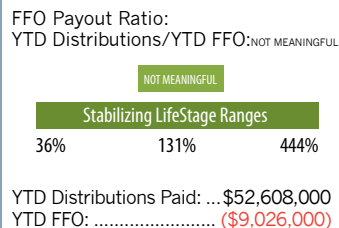
### Historical Distribution



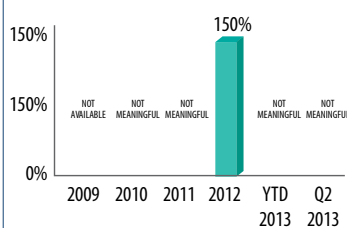
### Contact Information

**www.HinesSecurities.com**  
**Hines Global REIT**  
**c/o DST Systems, Inc.**  
**P.O. Box 219010**  
**Kansas City, MO 64121-9010**  
**888-220-6121**

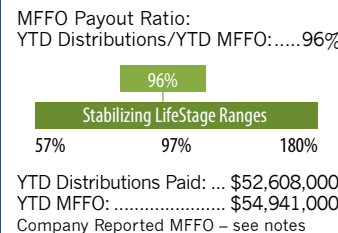
### Year to Date FFO Payout Ratio



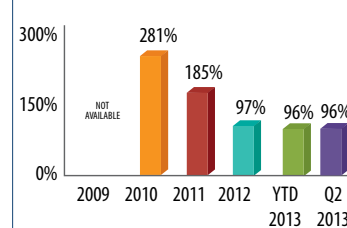
### Historical FFO Payout Ratio



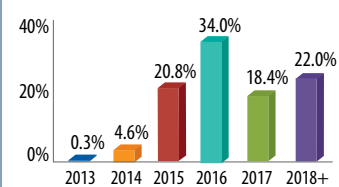
### Year to Date MFFO Payout Ratio



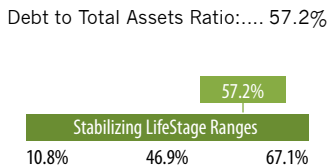
### Historical MFFO Payout Ratio



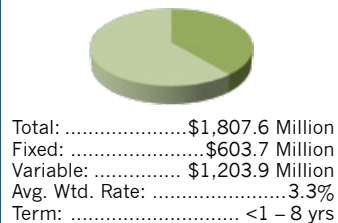
### Debt Repayment Schedule



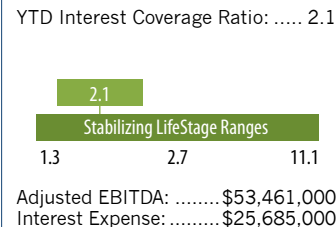
### Current Debt Ratio



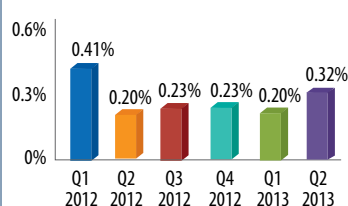
### Debt Breakdown



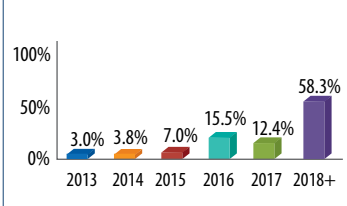
### Interest Coverage Ratio



### Redemptions



### Lease Expirations\*



\*As of 12/31/12

### Trends and Items of Note

- The distribution yield noted above is based on the initial offering price of \$10.00.
- The Company commenced a follow on offering, effective February 4, 2013. The primary offering price of shares in the Second Offering is \$10.28 per share and \$9.77 for shares purchased during the distribution reinvestment plan.
- The Company purchased three properties for a total of \$510.7 million during 2Q 2013.
- In April 2012, the Advisor agreed to waive the asset management fee otherwise payable to it pursuant to the Advisory Agreement for each quarter in 2012 and 2013, to the extent that the Company's modified funds from operations ("MFFO"), as disclosed in each quarterly report, for a particular quarter amounts to less than 100% of the aggregate distributions declared to its stockholders for such quarter. As a result of this fee waiver, the Advisor waived asset management fees payable to it during the three months ended March 31, 2013 of \$3.6 million. However, because MFFO exceeded distributions declared to the Company's stockholders during the three months ended June 30, 2013, no asset management fees were waived during that period.
- The Interest Coverage ratio decreased to 2.1x as of 2Q 2013 compared to 2.7x 2Q 2012.
- The Company hedged \$315.5 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on pages 99-100 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Industrial Income Trust, Inc.

Total Assets.....	\$2,821.4 Million
Real Estate Assets ...	\$2,506.7 Million
Cash.....	\$22.5 Million
Securities .....	\$0.0 Million
Other.....	\$292.2 Million

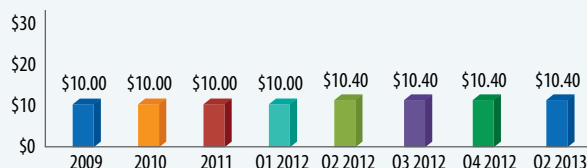


Cash to Total Assets Ratio: ..... 0.8%  
 Asset Type: ..... Industrial  
 Number of Properties: ..... 273  
 Square Feet / Units / Rooms / Acres: ..... 51.0 Million Sq. Ft.  
 Percent Leased: ..... 93.4%  
 LifeStage: ..... Stabilizing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 166,255,000

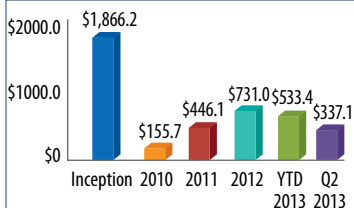
Initial Offering Date: ..... December 18, 2009  
 Number of Months Fundraising: ..... 42  
 Anticipated Offering Close Date: ..... July 18, 2013  
 Current Price per Share: ..... \$10.40  
 Reinvestment Price per Share: ..... \$9.88

\*See notes

### Historical Price

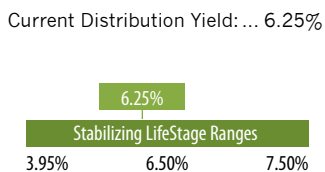


### Gross Dollars Raised\*

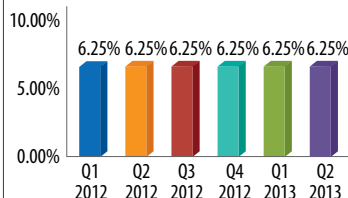


\*Includes reinvested distributions (in millions)

### Current Distribution



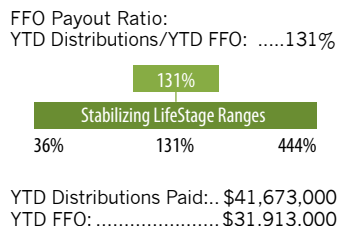
### Historical Distribution



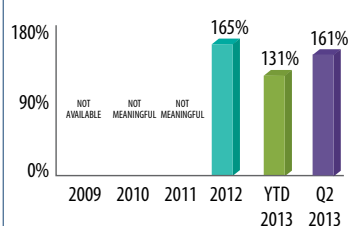
### Contact Information

**Dividend Capital Securities LLC**  
 518 Seventeenth Street,  
 17th Floor  
 Denver, Colorado 80202  
 (303) 228-2200

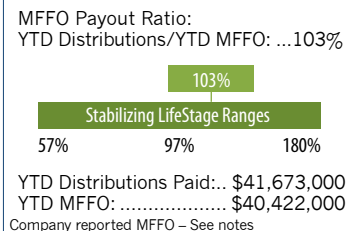
### Year to Date FFO Payout Ratio



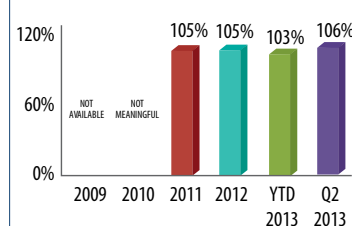
### Historical FFO Payout Ratio



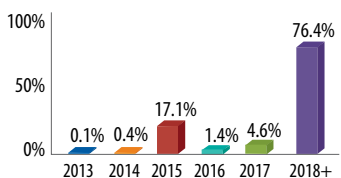
### Year to Date MFFO Payout Ratio



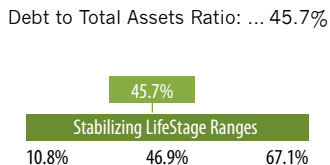
### Historical MFFO Payout Ratio



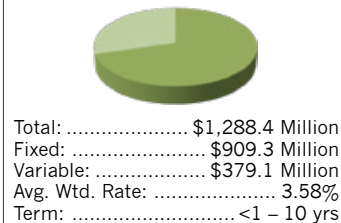
### Debt Repayment Schedule



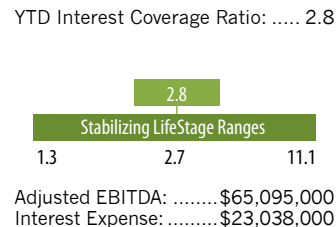
### Current Debt Ratio



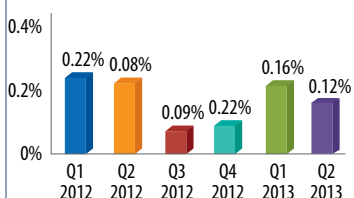
### Debt Breakdown



### Interest Coverage Ratio



### Redemptions



### Lease Expirations

Weighted average lease term remaining is 5.1 years.

### Trends and Items of Note

- As of July 18, 2013, the primary offering has been closed to new subscriptions.
- During the second quarter of 2013, the REIT purchased 47 properties for a total of \$448.2 million.
- The real estate asset figures noted above exclude intangible assets of \$236,397.
- The REIT's Interest Coverage Ratio increased 2.8x as of 2Q 2013 compared to 2.5x as of 2Q 2012.
- The Company hedged \$7.6 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.





# Nontraded REIT Industry Review: Second Quarter 2013

## Inland Real Estate Income Trust, Inc.

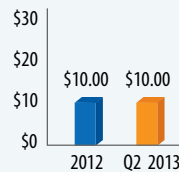
Total Assets.....	\$34.4 Million
Real Estate Assets .....	\$28.9 Million
Cash .....	\$1.2 Million
Securities .....	\$0.0 Million
Other .....	\$4.3 Million



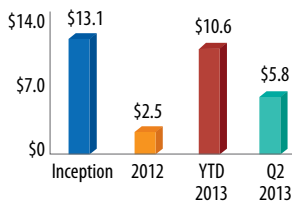
Initial Offering Date: .....	October 18, 2012
Number of Months Fundraising: .....	8
Anticipated Offering Close Date: .....	October 18, 2014
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	3.5%
Asset Type: .....	Diversified
Number of Properties: .....	13
Square Feet / Units / Rooms / Acres: .....	298,095 Sq. Ft.
Percent Leased: .....	100.0%
LifeStage: .....	Emerging
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	1,051,400

### Historical Price



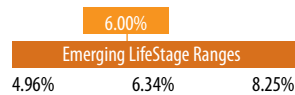
### Gross Dollars Raised\*



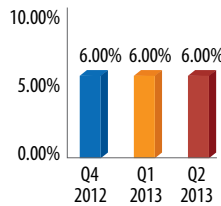
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.00%



### Historical Distribution



### Contact Information

[www.InlandIncomeTrust.com](http://www.InlandIncomeTrust.com)  
**Inland Real Estate  
 Income Trust Inc.**  
 2901 Butterfield Road  
 Oak Brook, IL 60523  
 800-826-8228

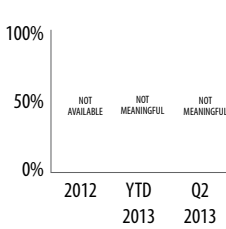
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL



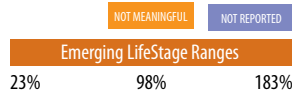
YTD Distributions Paid: \$183,995,000  
 YTD FFO: .....

### Historical FFO Payout Ratio



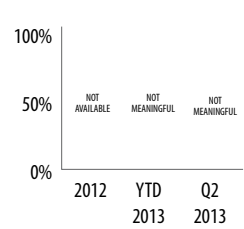
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

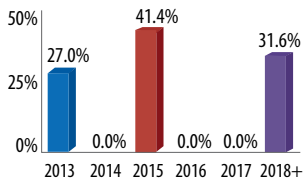


YTD Distributions Paid: \$183,995,000  
 YTD MFFO: .....

### Historical MFFO Payout Ratio

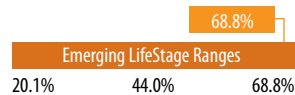


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 68.8%



### Debt Breakdown

Total: .....	\$23.7 Million
Fixed: .....	\$9.2 Million
Variable: .....	\$14.4 Million
Avg. Wtd. Rate: .....	4.64%
Term: .....	<1 - 14 yrs

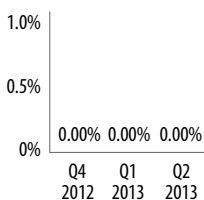
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 0.3



Adjusted EBITDA: .....

### Redemptions



### Lease Expirations

Not Reported

### Trends and Items of Note

- The REIT broke escrow in October 2012, began paying distributions in January 2013, and has limited trend data.
- The REIT did not acquire any properties during the second quarter of 2013.
- During July and August 2013, the Company used proceeds from the "best efforts" offering to repay a portion of the principal indebtedness outstanding under the equity loan obtained in connection with the acquisition of the Newington Fair Shopping Center on December 27, 2012 and the acquisition of the portfolio of seven Dollar General retail stores purchased on December 28, 2012. The remaining amount outstanding after these payments is equal to \$408,497.
- The Interest Coverage Ratio of 0.3 is significantly below the median for Emerging LifeStage REITs.
- The Company does not use Modified Funds From Operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Jones Lang Lasalle Income Property Trust, Inc.

Total Assets.....	\$873.4 Million
Real Estate Assets .....	\$785.9 Million
Cash.....	\$20.8 Million
Securities .....	\$0.0 Million
Other.....	\$66.7 Million



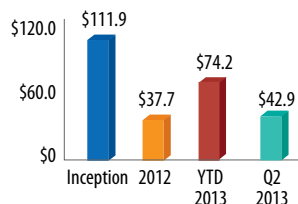
Cash to Total Assets Ratio: ..... 2.4%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 35  
 Square Feet / Units / Rooms / Acres: ..... 7,238,000 Sq. Ft.  
 Percent Leased: ..... 93%  
 LifeStage: ..... Stabilizing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 35,343,798

Initial Offering Date: ..... October 1, 2012  
 Number of Months Fundraising: ..... 9  
 Anticipated Offering Close Date: ..... Perpetual  
 Current Price per Share: ..... See Below  
 Reinvestment Price per Share: ..... See Below

### Historical Price



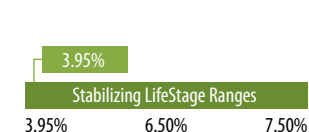
### Gross Dollars Raised\*



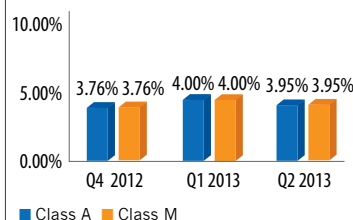
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 3.95%



### Historical Distribution

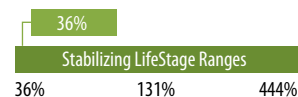


### Contact Information

[www.JLLIPT.com](http://www.JLLIPT.com)  
**Jones Lang LaSalle Income Property Trust, Inc.**  
 200 East Randolph Drive  
 Chicago, IL 60601  
 (312) 782-5800

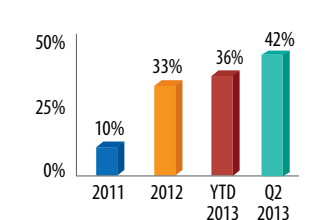
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 36%



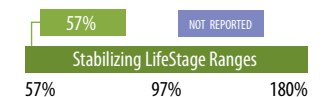
YTD Distributions Paid: ... \$6,167,000  
 YTD FFO: ..... \$17,340,000

### Historical FFO Payout Ratio



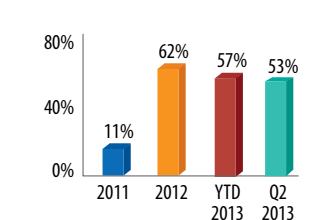
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ..... 57%

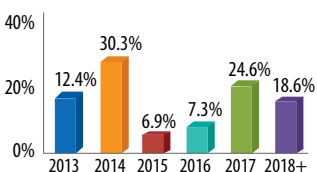


YTD Distributions Paid: ... \$6,167,000  
 YTD MFFO: ..... \$10,823,000

### Historical MFFO Payout Ratio

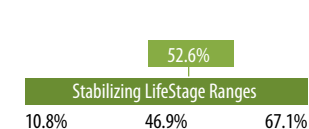


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 52.6%

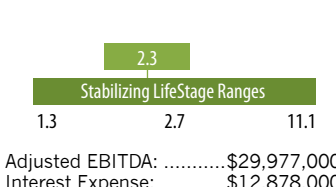


### Debt Breakdown

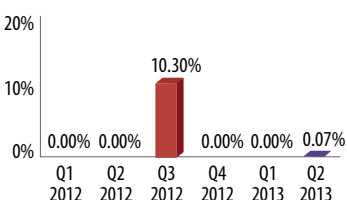
Total: ..... \$459.5 Million  
 Fixed: ..... \$440.5 Million  
 Variable: ..... \$19.0 Million  
 Rate: ..... 2.70% – 6.14%  
 Term: ..... <1 – 14 yrs

### Interest Coverage Ratio

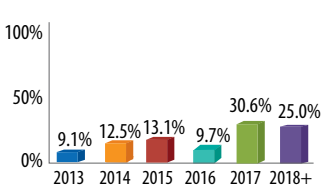
YTD Interest Coverage Ratio: ..... 2.3



### Redemptions



### Lease Expirations\*



\*As of 12/31/12

### Trends and Items of Note

- On April 30, 2013, the Company retired the mortgage note payable on Monument IV at Worldgate in advance of its September 1, 2013 maturity date.
- The distribution yield of 3.95% is based on the price per share for both Class A and Class M shares.
- The Company acquired two properties during 2Q 2013 for a total of \$58.9 million.
- Cash to Total Assets ratio decreased to 2.4% as of 2Q 2013 compared to 4.4% as of 4Q 2012.
- The Interest Coverage Ratio decreased to 2.3x as of 2Q 2013 compared to 2.8x as of 4Q 2012.
- The Company did not report MFFO for Q2 2013. The MFFO Payout Ratios reported above were estimated by Blue Vault Partners based on the IPA Guidelines.
- See additional notes on page 100 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## KBS Legacy Partners Apartment REIT, Inc.

Total Assets.....	\$376.6 Million
Real Estate Assets .....	\$334.7 Million
Cash.....	\$34.5 Million
Securities .....	\$0.0 Million
Other.....	\$7.4 Million



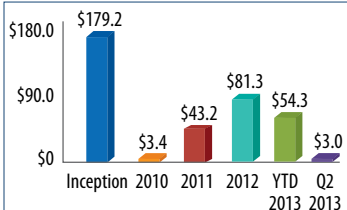
Initial Offering Date: .....	March 12, 2010
Number of Months Fundraising: .....	39
Anticipated Offering Close Date: .....	March 8, 2015
Current Price per Share: .....	\$10.68
Reinvestment Price per Share: .....	\$10.15

Cash to Total Assets Ratio: .....	9.2%
Asset Type: .....	Multifamily
Number of Properties: .....	9
Square Feet / Units / Rooms / Acres: .....	2,599 Units; 2.5 Million Sq. Ft.
Percent Leased: .....	94.0%
LifeStage: .....	Growth
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	18,180,070

### Historical Price



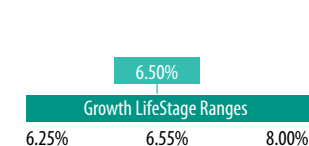
### Gross Dollars Raised\*



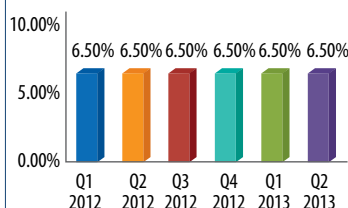
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution



### Contact Information

**www.KBS-CMG.com**  
**KBS Legacy Apartment REIT**  
**P.O. Box 219015**  
**Kansas City, MO 64121-9015**  
**866-584-1381**

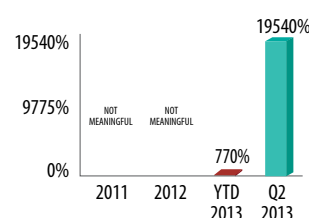
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 770%



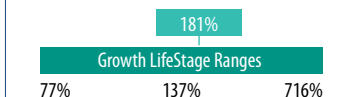
YTD Distributions Paid: ... \$5,077,000  
 YTD FFO: ..... \$659,000

### Historical FFO Payout Ratio



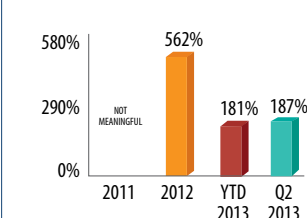
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 181%

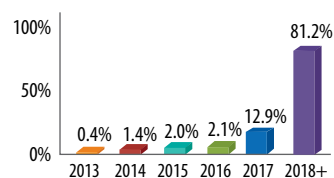


YTD Distributions Paid: ... \$5,077,000  
 YTD MFFO: ..... \$2,801,000  
 Company reported MFFO - See notes

### Historical MFFO Payout Ratio

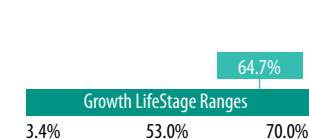


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 64.7%

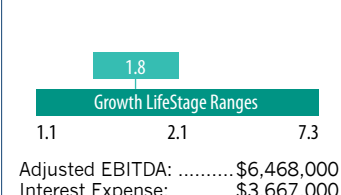


### Debt Breakdown

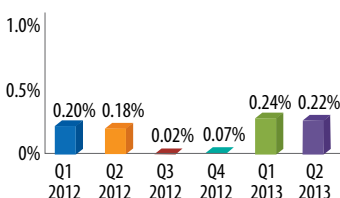
Total: .....	\$243.8 Million
Fixed: .....	\$243.8 Million
Variable: .....	\$0.0 Million
Avg. Wtd. Rate: .....	3.20%
Term: .....	<1 - 6 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.8



### Redemptions



### Lease Expirations

Not Reported

### Trends and Items of Note

- The distribution yield noted above is based on a \$10.00 share price.
- On March 13, 2013, the Company commenced offering shares to the public pursuant to the Follow-on Offering.
- On March 4, 2013, the board of directors established an updated offering price for shares of common stock to be sold in the follow-on offering of \$10.68 per share. In addition, shares purchased under the dividend reinvestment plan increased to \$10.15 per share.
- The REIT acquired two properties during the second quarter for a total price of \$78.5 million.
- The Interest Coverage ratio increased to 1.8x as of 2Q 2013 compared to 1.1x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.

## Nontraded REIT Industry Review: Second Quarter 2013



## KBS Real Estate Investment Trust III, Inc.

Total Assets.....	\$760.7 Million
Real Estate Assets .....	\$712.2 Million
Cash .....	\$32.4 Million
Securities .....	\$0.0 Million
Other .....	\$16.1 Million



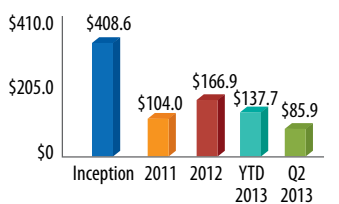
Cash to Total Assets Ratio: ..... 4.3%  
 Asset Type: ..... Office  
 Number of Properties: ..... 10 Properties; 1 Note  
 Square Feet / Units / Rooms / Acres: ..... 3.3 Million Sq. Ft.  
 Percent Leased: ..... 89.0%  
 LifeStage: ..... Stabilizing  
 Investment Style ..... Core  
 Weighted Average Shares Outstanding: ..... 36,616,023

Initial Offering Date: ..... October 26, 2010  
 Number of Months Fundraising: ..... 32  
 Anticipated Offering Close Date: ..... April 24, 2014  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

## Historical Price



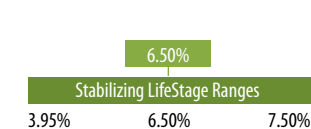
## Gross Dollars Raised\*



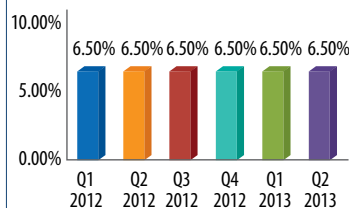
\*Includes reinvested distributions (in millions)

## Current Distribution

Current Distribution Yield: ... 6.50%



## Historical Distribution



## Contact Information

[www.KBS-CMG.com](http://www.KBS-CMG.com)  
**KBS Real Estate Investment Trust III, Inc.**  
**P.O. Box 219015**  
**Kansas City, MO 64121-9015**  
**866-584-1381**

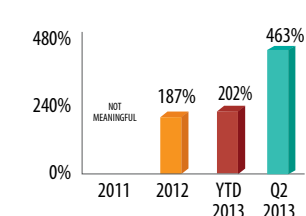
## Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 202%



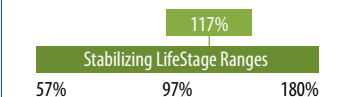
YTD Distributions Paid:.. \$10,036,000  
 YTD FFO: ..... \$4,962,000

## Historical FFO Payout Ratio



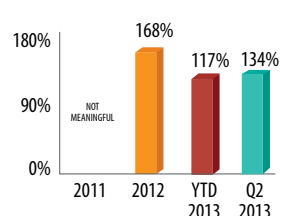
## Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...117%

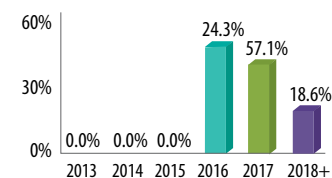


YTD Distributions Paid:.. \$10,036,000  
 YTD MFFO: ..... \$8,552,000  
 Company reported MFFO - See notes

## Historical MFFO Payout Ratio

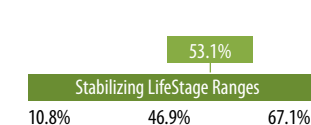


## Debt Repayment Schedule



## Current Debt Ratio

Debt to Total Assets Ratio: ... 53.1%



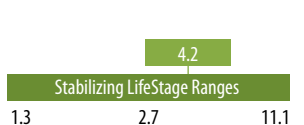
## Debt Breakdown



Total: ..... \$403.9 Million  
 Fixed: ..... \$291.7 Million  
 Variable: ..... \$112.2 Million  
 Avg. Wtd. Rate: ..... 2.60%  
 Term: ..... 2 - 5 yrs

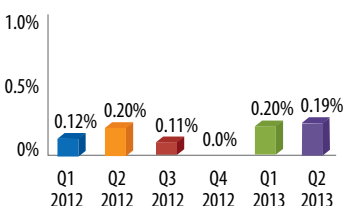
## Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 4.2



Adjusted EBITDA: ..... \$14,245,000  
 Interest Expense: ..... \$3,364,000

## Redemptions



## Lease Expirations

Weighted average remaining lease term is 5.2 years

## Trends and Items of Note

- On February 14, 2013, the Company filed a registration statement with the SEC to register a Follow-on Offering.
- The REIT acquired three properties during 2Q 2013 for a total price of \$266.5 million.
- Cash to Total Assets ratio decreased to 4.3% as of 2Q 2013 compared to 5.9% as of 2Q 2012.
- The Interest Coverage Ratio increased to 4.2x of 2Q 2013 compared to 3.0x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Lightstone Value Plus Real Estate Investment Trust II, Inc.

Total Assets.....	\$75.2 Million
Real Estate Assets .....	\$55.0 Million
Cash.....	\$10.3 Million
Securities .....	\$7.8 Million
Other.....	\$2.1 Million



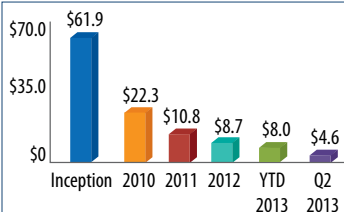
Initial Offering Date: .....	February 17, 2009
Number of Months Fundraising: .....	52
Anticipated Offering Close Date: .....	September 27, 2014
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: ..... 13.7%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 2 Retail; 5 Hotels  
 Square Feet / Units / Rooms / Acres: 156,046 Sq Ft; 614 Rooms  
 Percent Leased: ..... 64.0%  
 LifeStage: ..... Growth  
 Investment Style: ..... Value Add  
 Weighted Average Shares Outstanding: ..... 5,873,000

### Historical Price



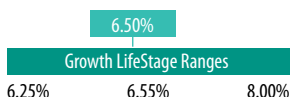
### Gross Dollars Raised\*



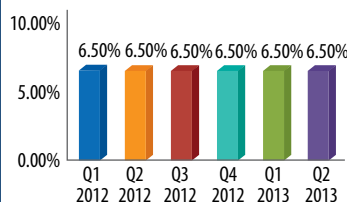
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution

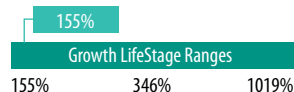


### Contact Information

[www.LightstoneREIT.com](http://www.LightstoneREIT.com)  
**Lightstone Value Plus  
 Real Estate Investment Trust**  
 1985 Cedar Bridge Avenue  
 Lakewood, NJ 08701  
 (732) 367-0129

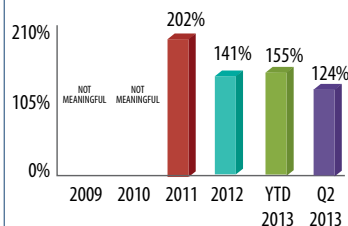
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 155%



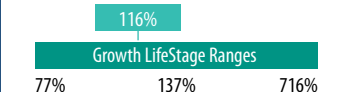
YTD Distributions Paid: ..... \$1,734,000  
 YTD FFO: ..... \$1,120,000

### Historical FFO Payout Ratio



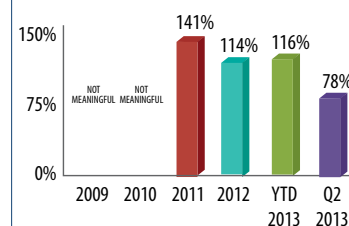
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 116%

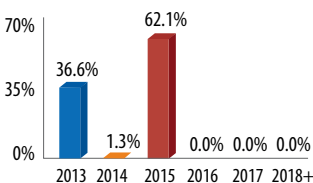


YTD Distributions Paid: ..... \$1,734,000  
 YTD MFFO: ..... \$1,499,000  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio

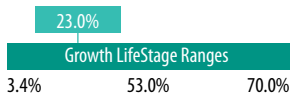


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: .... 23.0%



### Debt Breakdown

Total: ..... \$17.3 Million  
 Fixed: ..... \$11.1 Million  
 Variable: ..... \$6.2 Million  
 Avg. Wtd. Rate: ..... 5.88%  
 Term: ..... <1 – 2 yrs

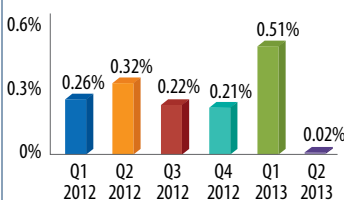
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 7.3



Adjusted EBITDA: ..... \$2,910,000  
 Interest Expense: ..... \$396,000

### Redemptions



### Lease Expirations

Not Applicable

### Trends and Items of Note

- The REIT acquired two properties during the second quarter for a total price of \$10.7 million.
- Commencing with the quarter ended June 30, 2013, the Advisor has elected to waive or reduce its quarterly asset management fee to the extent the non-GAAP measure modified funds from operations available, or MFFO, as defined by the Investment Program Association, for the preceding twelve months period ending on the last day of the current quarter is less than the distributions declared with respect to the same twelve month period. As a result, asset management fees of \$126 were waived by the Advisor during the quarter ended June 30, 2013.
- The Cash to Total Assets ratio decreased to 13.7% as of 2Q 2013 compared to 25.7% as of 2Q 2012.
- The Debt to Total Assets ratio increased to 23.0% as of 2Q 2013 compared to 18.1% as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Moody National REIT I, Inc.

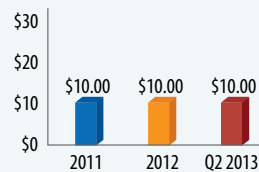
Total Assets.....	\$43.4 Million
Real Estate Assets .....	\$35.3 Million
Cash .....	\$5.6 Million
Securities .....	\$0.0 Million
Other .....	\$2.5 Million



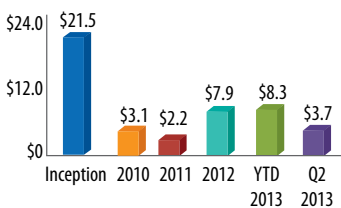
Initial Offering Date: ..... April 15, 2009  
 Number of Months Fundraising: ..... 50  
 Anticipated Offering Close Date: ..... October 12, 2014  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 13.0%  
 Asset Type: ..... Hospitality  
 Number of Properties: ..... 2 Properties; 1 Note  
 Square Feet / Units / Rooms / Acres: ..... 218 Units  
 Percent Leased: ..... Not Available  
 LifeStage: ..... Growth  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 2,023,290

### Historical Price



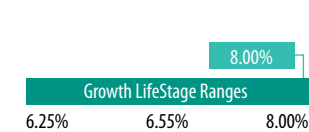
### Gross Dollars Raised\*



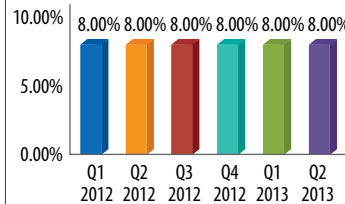
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 8.00%



### Historical Distribution

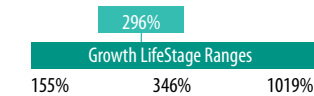


### Contact Information

[www.MoodyNationalREIT.com](http://www.MoodyNationalREIT.com)  
**Moody National REIT I, Inc.**  
 Attn: Logan Lee  
 6363 Woodway Drive  
 Suite 110  
 Houston, Texas 77057  
 (713) 977-7500

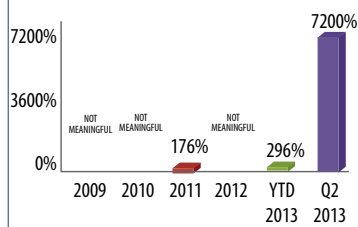
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ... 296%



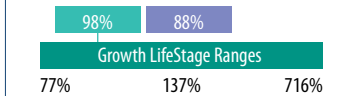
YTD Distributions Paid:..... \$646,358  
 YTD FFO: ..... \$218,229

### Historical FFO Payout Ratio



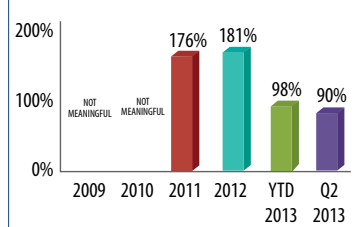
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ..... 98%

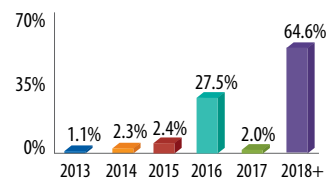


YTD Distributions Paid:..... \$646,358  
 YTD MFFO\*:..... \$660,283  
 \*BVP Adjusted-See Notes Company reported

### Historical MFFO Payout Ratio

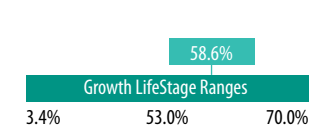


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 58.6%

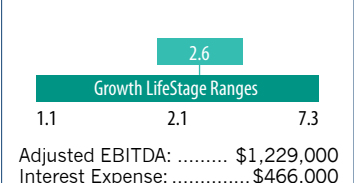


### Debt Breakdown

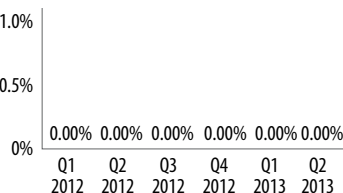
Total: ..... \$25.5 Million  
 Fixed: ..... \$25.5 Million  
 Variable: ..... \$0.0 Million  
 Avg. Wtd. Rate: ..... 4.20%  
 Term: ..... 1 – 10 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.6



### Redemptions



### Lease Expirations

Not Applicable

### Trends and Items of Note

- The REIT acquired one property during the second quarter for a total price of \$11.3 million.
- On July 2, 2013, the Company acquired fee simple title to the Hyatt Place hotel property located in North Charleston, South Carolina from an unaffiliated third party seller, for an aggregate purchase price of \$11,800,000, excluding acquisition costs.
- The Interest Coverage Ratio increased to 2.6x as of 1Q 2013 compared to 2.0x as of 2Q 2012.
- The Company did not report MFFO according to the IPA Guidelines. The year-to-date ratios presented above reflect both the Blue Vault's estimate based on the IPA Guidelines as well as the ratio based on the REIT's reported MFFO which includes an adjustment for stock/unit-based compensation and amortized of deferred loan costs.
- See additional notes on page 101 for information regarding the source of distributions.





# Nontraded REIT Industry Review: Second Quarter 2013

## MVP REIT, Inc.

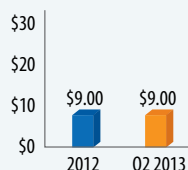
Total Assets.....	\$13.6 Million
Real Estate Assets .....	\$11.8 Million
Cash .....	\$0.4 Million
Securities .....	\$0.0 Million
Other .....	\$1.4 Million



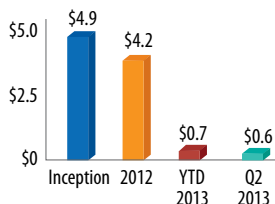
Initial Offering Date: .....	September 26, 2012
Number of Months Fundraising: .....	9
Anticipated Offering Close Date: .....	September 26, 2014
Current Price per Share: .....	\$9.00
Reinvestment Price per Share: .....	\$8.73

Cash to Total Assets Ratio: ..... 2.8%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 2 Properties, 1 Loan  
 Square Feet / Units / Rooms / Acres: ..... 74,000 Sq. Ft.  
 Percent Leased: ..... 83.5%  
 LifeStage: ..... Emerging  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 573,960

### Historical Price



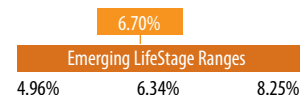
### Gross Dollars Raised\*



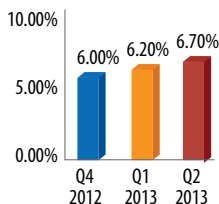
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.70%



### Historical Distribution



### Contact Information

**www.MVPREIT.com**  
**MVP Advisors**  
**8880 W. Sunset Rd.**  
**Suite 240**  
**Las Vegas, NV 89148**  
**(877) 684-6871**

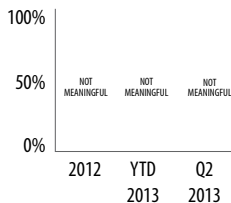
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL



YTD Distributions Paid: ..... \$158,000  
 YTD FFO: ..... (\$1,689,000)

### Historical FFO Payout Ratio



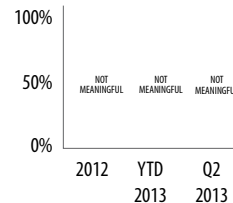
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

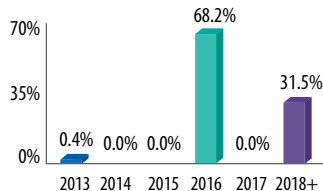


YTD Distributions Paid: ..... \$158,000  
 YTD MFFO: ..... (\$2,981,000)  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio

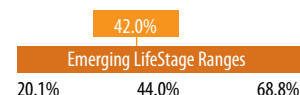


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ... 42.0%



### Debt Breakdown

Total: .....	\$5.7 Million
Fixed: .....	\$5.7 Million
Variable: .....	\$0.0 Million
Avg. Wtd. Rate: .....	6.26%
Term: .....	1 – 10 yrs

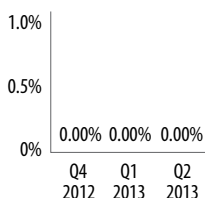
### Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL



Adjusted EBITDA: ..... (\$2,935,000)  
 Interest Expense: ..... \$25,000

### Redemptions



### Lease Expirations

Not Applicable

### Trends and Items of Note

- The REIT broke escrow in December 2012, began paying distributions in January 2013, and has limited trend data.
- On June 14, 2013, the Company acquired Wolfpack which is a 22,000-square-foot office building in Las Vegas, Nevada for \$6.5 million.
- The Cash to Total Assets ratio declined to 2.8% as of 2Q 2013 compared to 32.0% as of 1Q 2013.
- The Company's Interest Coverage ratio is "Not Meaningful" due to the fact that its Adjusted EBITDA was negative for the year to date period ending June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## NorthStar Healthcare Income, Inc.

Total Assets.....	\$2.8 Million
RE Debt Investments.....	\$2.5 Million
Cash .....	\$0.2 Million
Securities .....	\$0.0 Million
Other .....	\$0.1 Million



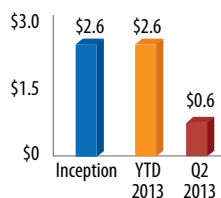
Initial Offering Date: .....	August 7, 2012
Number of Months Fundraising: .....	10
Anticipated Offering Close Date: .....	August 7, 2014
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: ..... 7.7%  
 Asset Type: ..... Healthcare  
 Number of Properties: ..... \$2.5 Million  
 ..... Pari Passu Participation In Senior Loan  
 Square Feet / Units / Rooms / Acres: ..... Not Applicable  
 Percent Leased: ..... Not Applicable  
 LifeStage: ..... Emerging  
 Investment Style: ..... Debt  
 Weighted Average Shares Outstanding: ..... 289,110

### Historical Price



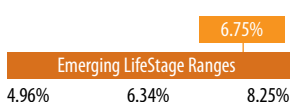
### Gross Dollars Raised\*



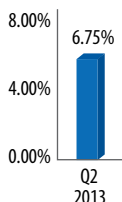
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.75%



### Historical Distribution



### Contact Information

[www.NorthStarREIT.com](http://www.NorthStarREIT.com)  
**NorthStar Healthcare  
 Income, Inc.**  
**399 Park Avenue, 18th floor**  
**New York, NY 10022**  
**212-547-2600**

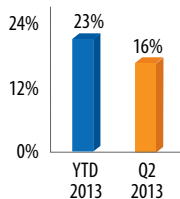
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 23%



YTD Distributions Paid:..... \$2,985  
 YTD FFO: ..... \$12,946

### Historical FFO Payout Ratio



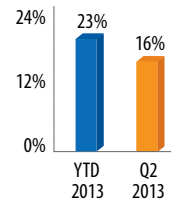
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: .... 23%



YTD Distributions Paid:..... \$2,985  
 YTD MFFO: ..... \$12,946  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Repayment Schedule

Not Applicable

### Current Debt Ratio

Not Applicable

### Debt Breakdown

Not Applicable

### Interest Coverage Ratio

Not Applicable

### Redemptions



### Lease Expirations

Not Applicable

### Trends and Items of Note

- On February 11, 2013, the Company commenced operations by satisfying the minimum offering requirement in its Primary Offering as a result of the Sponsor purchasing an additional 222,223 shares of common stock for \$2.0 million.
- This REIT has limited trend data due to the fact that it began operations in 2Q 2013.
- In April 2013, the Company entered into a participation agreement with the Sponsor to acquire an \$11.25 million first mortgage loan. In the second quarter 2013, the Company purchased a \$2.5 million pari passu participation interest and will purchase additional amounts, from time to time, as additional capital is raised until the Company owns the entire loan.
- The Company's Interest Coverage ratio is "Not Applicable" due to the fact that it did not have any debt outstanding for the year to date period ending June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Phillips Edison – ARC Shopping Center REIT, Inc.

Total Assets.....	\$730.0 Million
Real Estate Assets .....	\$595.3 Million
Cash.....	\$61.9 Million
Securities .....	\$0.0 Million
Other.....	\$72.7 Million



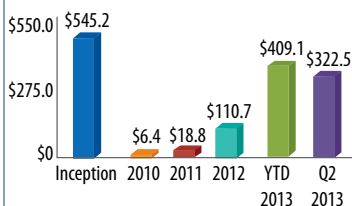
Initial Offering Date: .....	August 12, 2010
Number of Months Fundraising: .....	34
Anticipated Offering Close Date: .....	February 7, 2014
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	8.5%
Asset Type: .....	Retail
Number of Properties:.....	46
Square Feet / Units / Rooms / Acres:.....	4.9 Million Sq. Ft.
Percent Leased: .....	93.6%
LifeStage:.....	Stabilizing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	37,692,167

### Historical Price

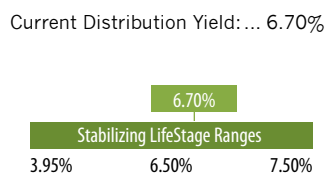


### Gross Dollars Raised\*

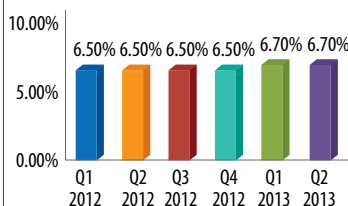


\*Includes reinvested distributions (in millions)

### Current Distribution



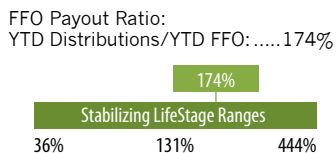
### Historical Distribution



### Contact Information

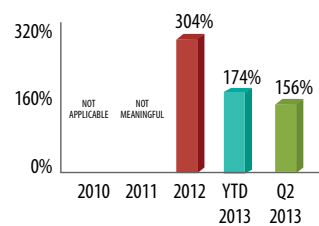
[www.phillisedison-arc.com](http://www.phillisedison-arc.com)  
**Phillips Edison –**  
**ARC Shopping Center REIT, Inc.**  
**11501 Northlake Drive**  
**Cincinnati, OH 45249**  
**(513) 554-1110**

### Year to Date FFO Payout Ratio

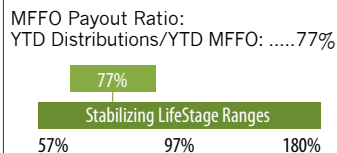


YTD Distributions Paid:..... \$7,100,000  
 YTD FFO:..... \$4,081,000

### Historical FFO Payout Ratio

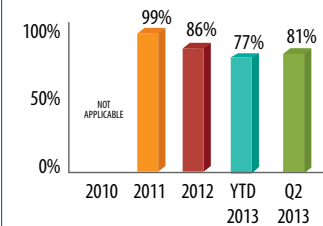


### Year to Date MFFO Payout Ratio

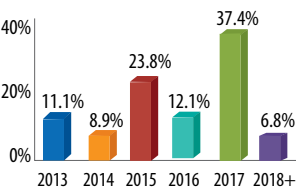


YTD Distributions Paid:..... \$7,100,000  
 YTD MFFO:..... \$9,183,000  
 Company Reported MFFO – see notes

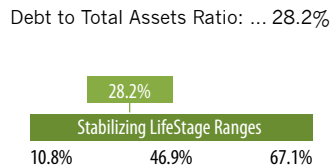
### Historical MFFO Payout Ratio



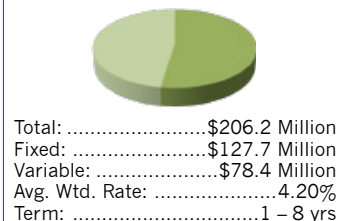
### Debt Repayment Schedule



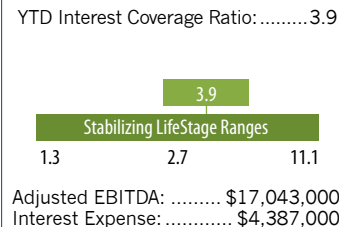
### Current Debt Ratio



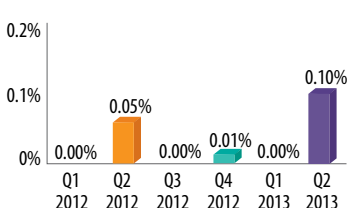
### Debt Breakdown



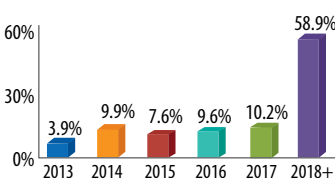
### Interest Coverage Ratio



### Redemptions



### Lease Expirations



### Trends and Items of Note

- During 2Q 2013 the Company acquired 9 properties for a purchase price of approximately \$182.6 million.
- Subsequent to June 30, 2013, the Company made net payments of \$30.0 million to the lenders under its secured credit facility. As of August 8, 2013, there was no outstanding balance under this facility.
- In addition, subsequent to June 30, 2013, the Company made net payments of \$61.8 million to the lenders under various revolving lines of credit.
- The Debt to Total Assets ratio decreased to 28.2% as of 2Q 2013 compared to 45.8% as of 2Q 2012.
- The REIT's Interest Coverage ratio declined to 3.9x as of 2Q 2013 compared to 4.3x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Resource Real Estate Opportunity REIT, Inc.

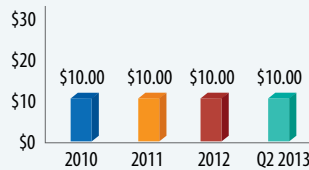
Total Assets.....\$288.8 Million  
 Real Estate Assets .....\$206.9 Million  
 Cash.....\$74.9 Million  
 Securities .....\$0.0 Million  
 Other.....\$7.0 Million



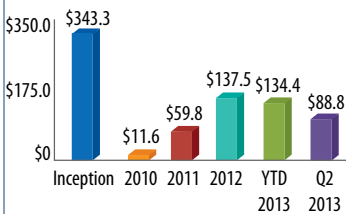
Initial Offering Date: ..... June 16, 2010  
 Number of Months Fundraising: ..... 36  
 Anticipated Offering Close Date: ..... December 12, 2013  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 25.9%  
 Asset Type: ..... Multifamily  
 Number of Properties: ..... 17 Properties; 3 Notes  
 Square Feet / Units / Rooms / Acres: ..... 4,995 Units  
 Percent Leased: ..... Not Applicable  
 LifeStage: ..... Growth  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 32,408,000

### Historical Price



### Gross Dollars Raised\*



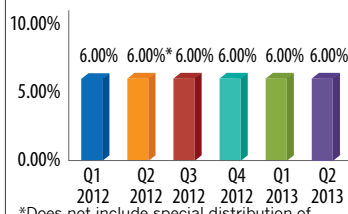
\*Includes reinvested distributions (in millions)

### Current Distribution

.00585 Shares per Share and  
\$0.091 Cash per Share

\*See Notes

### Historical Distribution



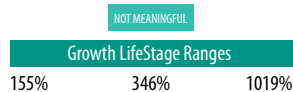
\*Does not include special distribution of \$0.15 per share

### Contact Information

[www.resourcerei.com](http://www.resourcerei.com)  
**Resource Real Estate, Inc.**  
 1845 Walnut Street, 18th Floor  
 Philadelphia, PA 19103  
 215-640-6320

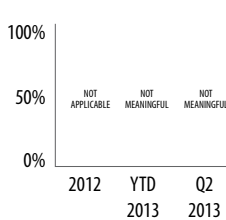
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: **NOT MEANINGFUL**



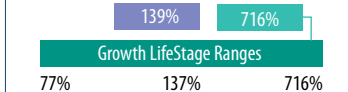
YTD Distributions Paid:..... \$5,496,000  
 YTD FFO: ..... (\$4,009,000)

### Historical FFO Payout Ratio



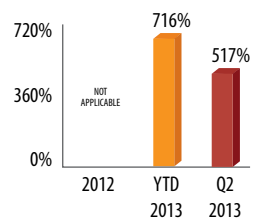
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ..... 716%

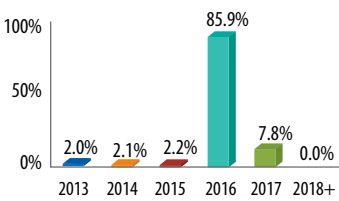


YTD Distributions Paid:..... \$5,496,000  
 YTD MFFO: ..... \$768,000  
 Company Reported - MFFO IPA Company Reported - AFFO  
 \*See Notes

### Historical MFFO Payout Ratio

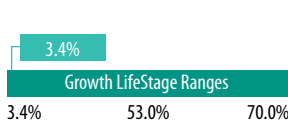


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ..... 3.4%



### Debt Breakdown

Total: ..... \$9.7 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$9.7 Million  
 Avg. Wtd. Rate: ..... 2.85%  
 Term: ..... 1 - 4 yrs

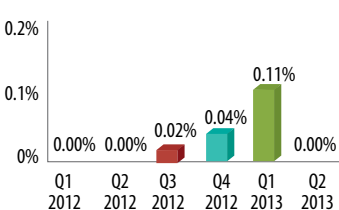
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 5.4



Adjusted EBITDA: ..... \$1,340,000  
 Interest Expense: ..... \$247,000

### Redemptions



### Lease Expirations

Not Applicable

### Trends and Items of Note

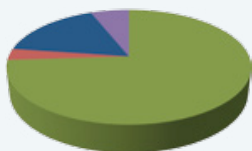
- The Company reports Funds from Operations (FFO), Modified Funds from Operations (MFFO) as defined by the Investment Program Association and Adjusted Funds from Operations (AFFO) for both "Stabilized" and "Non-stabilized" properties. Stabilized properties are those properties in the portfolio that are currently or have at any time produced positive MFFO while Non-stabilized properties are those which have not yet produced positive MFFO and which require additional capital and time to do so.
- As the REIT intends to take advantage of realized gains on a regular basis through strategic asset dispositions, it believes that AFFO (adjusted funds from operations) is an equally relevant indicator of cash available for distribution. In addition to MFFO, the Company reported year to date AFFO of \$3,941,000 and an AFFO Payout Ratio of 139% for the entire portfolio as well as a year to date AFFO of \$6,859,000 for the Company's "Stabilized Properties Only" and an AFFO Payout Ratio of 80%.
- The Board of Directors declared cash dividends of \$0.025 per share to stockholders of record as of the close of business on April 1, 2013 and April 30, 2013 and \$0.033 per share to stockholders of record as of the close of business on May 31, 2013 and June 28, 2013. On May 10, 2013, the Board of Directors also declared a quarterly stock distribution of 0.00585 shares, or 0.5856% for each outstanding share of common stock held of record on June 28, 2013.
- During Q2 2013 the Company acquired three properties for a purchase price of approximately \$45.8 million.
- The REIT's Cash to Total Assets ratio increased to 25.9% as of 2Q 2013 compared to 10.9% as of 2Q 2012.
- The REIT's Debt to Total Assets ratio decreased to 3.4% as of 2Q 2013 compared to 17.9% as of 2Q 2012.
- See additional notes on page 101 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## RREEF Property Trust, Inc.

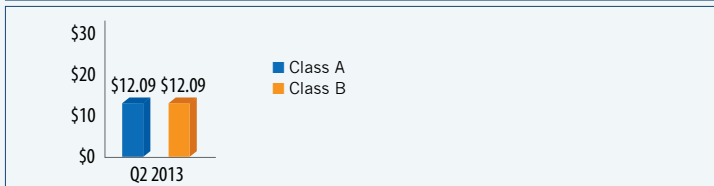
Total Assets.....	\$17.8 Million
Real Estate Assets .....	\$13.2 Million
Cash.....	\$0.6 Million
Securities .....	\$3.0 Million
Other.....	\$1.1 Million



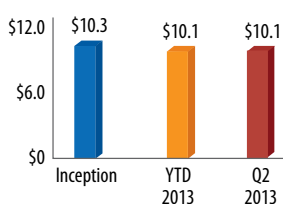
Initial Offering Date: ..... January 3, 2013  
 Number of Months Fundraising: ..... 6  
 Anticipated Offering Close Date: ..... January 3, 2015  
 Current Price per Share: ..... See Below  
 Reinvestment Price per Share: ..... See Below

Cash to Total Assets Ratio: ..... 3.2%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 1 Property; 1 Stock Portfolio  
 Square Feet / Units / Rooms / Acres: ..... 94,233 Sq. Ft.  
 Percent Leased: ..... 100.0%  
 LifeStage: ..... Emerging  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 310,026

### Historical Price

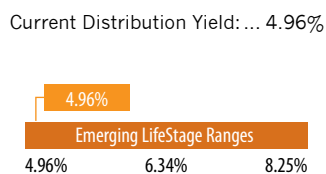


### Gross Dollars Raised\*

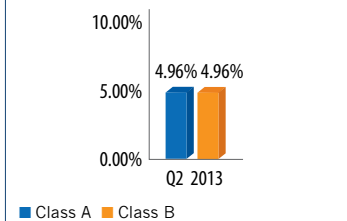


\*Includes reinvested distributions (in millions)

### Current Distribution



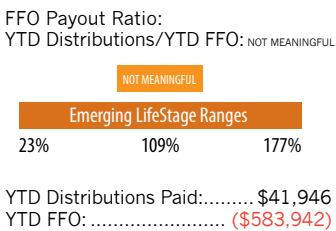
### Historical Distribution



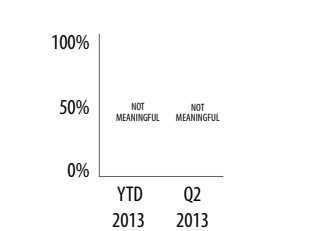
### Contact Information

[www.rreefpropertytrust.com](http://www.rreefpropertytrust.com)  
**RREEF Property Trust, Inc.**  
 c/o DST Systems, Inc.  
 P.O. Box 219116  
 Kansas City, MO 64121-9116  
 (855) 285-0508

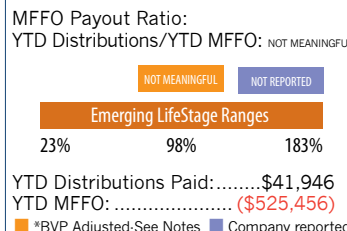
### Year to Date FFO Payout Ratio



### Historical FFO Payout Ratio



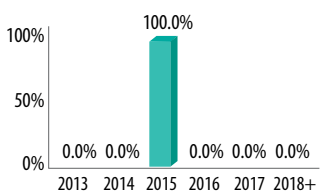
### Year to Date MFFO Payout Ratio



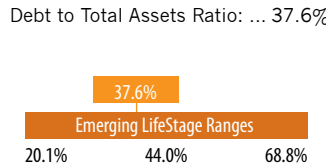
### Historical MFFO Payout Ratio



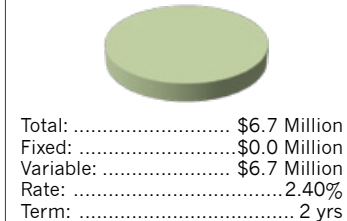
### Debt Repayment Schedule



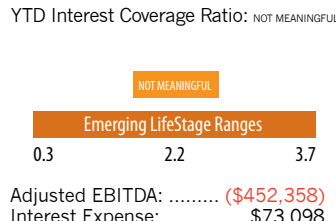
### Current Debt Ratio



### Debt Breakdown



### Interest Coverage Ratio



### Redemptions



### Lease Expirations\*



### Trends and Items of Note

- The Company is offering to the public two classes of shares of its common stock, Class A shares and Class B shares. On January 3, 2013, the Offering was initially declared effective by the Securities and Exchange Commission. On May 30, 2013, RREEF America purchased \$10,000,000 of the Company's Class B shares in the Offering, and the Company's board of directors authorized the release of the escrowed funds to the Company, thereby allowing the Company to commence operations.
- The Company acquired one property during the second quarter of 2013 for a total of \$13.3 million.
- This REIT has limited trend data due to the fact that it began operations in 2Q 2013.
- The Company does not use modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## Steadfast Income REIT, Inc.

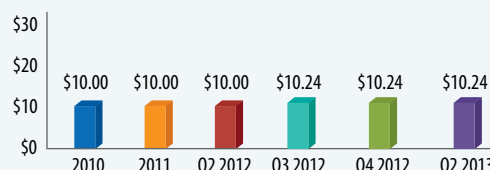
Total Assets.....	\$832.7 Million
Real Estate Assets .....	\$763.4 Million
Cash .....	\$45.1 Million
Securities .....	\$0.0 Million
Other .....	\$24.2 million



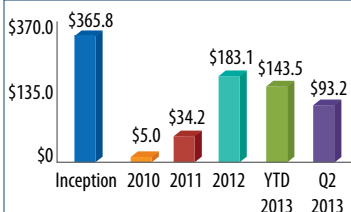
Initial Offering Date: .....	July 19, 2010
Number of Months Fundraising: .....	35
Anticipated Offering Close Date: .....	January 4, 2014
Current Price per Share: .....	\$10.24
Reinvestment Price per Share: .....	\$9.73

Cash to Total Assets Ratio: .....	5.4%
Asset Type: .....	Multifamily
Number of Properties: .....	39
Square Feet / Units / Rooms / Acres: .....	8,771 Units
Percent Leased: .....	94.3%
LifeStage: .....	Stabilizing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	32,136,950

### Historical Price

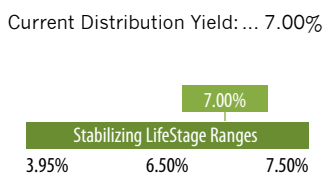


### Gross Dollars Raised\*

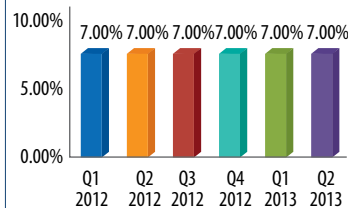


\*Includes reinvested distributions (in millions)

### Current Distribution



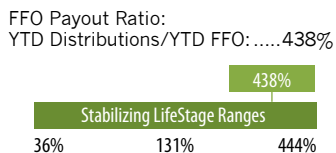
### Historical Distribution



### Contact Information

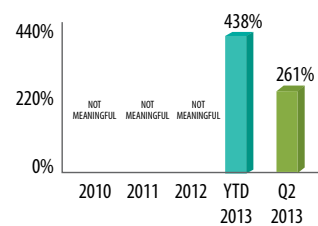
**www.SteadfastREITs.com**  
**Steadfast Capital Markets Group, LLC**  
**18100 Von Karman Avenue**  
**Suite 500**  
**Irvine, California 92612**  
**(949) 852-0700**

### Year to Date FFO Payout Ratio

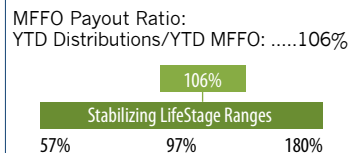


YTD Distributions Paid:..... \$9,452,611  
 YTD FFO: .....

### Historical FFO Payout Ratio

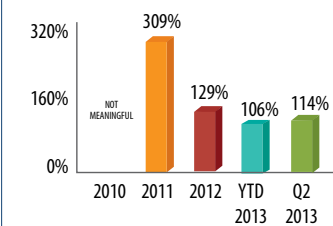


### Year to Date MFFO Payout Ratio

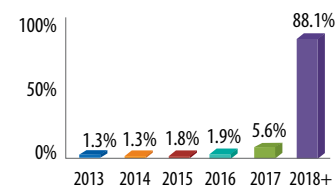


YTD Distributions Paid:.....\$9,452,611  
 YTD MFFO: .....

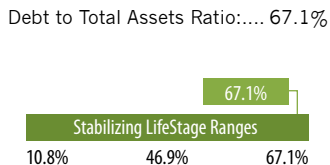
### Historical MFFO Payout Ratio



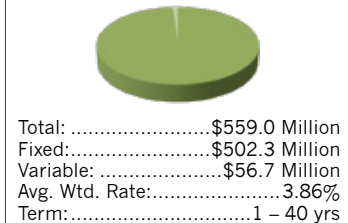
### Debt Repayment Schedule



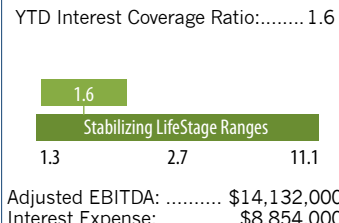
### Current Debt Ratio



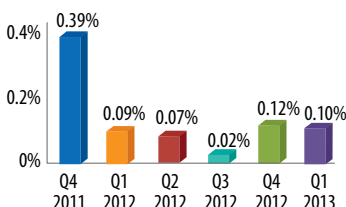
### Debt Breakdown



### Interest Coverage Ratio



### Redemptions



### Lease Expirations



### Trends and Items of Note

- The Company acquired five properties during the quarter for a total of \$108.6 million.
- On May 3, 2013, the Company filed a registration statement with the SEC to register a follow-on public offering of up to \$253,450,000 in shares of common stock.
- The REIT's Cash to Total Assets increased to 5.4% as of 2Q 2013 compared to 3.2% as of 2Q 2012.
- The REIT's Interest Coverage ratio increased to 1.6x as of 2Q 2013 compared to 1.4x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013



## Strategic Storage Trust, Inc.

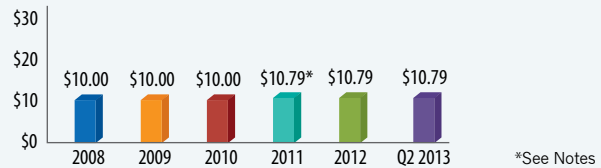
Total Assets.....	\$643.3 Million
Real Estate Assets .....	\$585.6 Million
Cash .....	\$34.1 Million
Securities .....	\$0.0 Million
Other .....	\$23.7 Million



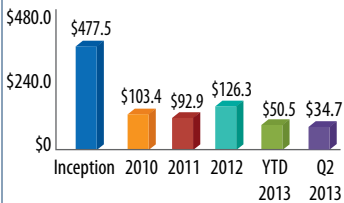
Initial Offering Date: .....	March 17, 2008
Number of Months Fundraising: .....	63
Anticipated Offering Close Date: .....	September 22, 2013
Current Price per Share: .....	\$10.79
Reinvestment Price per Share: .....	\$10.25

Cash to Total Assets Ratio: .....	5.3%
Asset Type: .....	Storage
Number of Properties: .....	110
Square Feet / Units / Rooms / Acres: .....	9.2 Million Sq. Ft.
Percent Leased: .....	84.2%
LifeStage: .....	Stabilizing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	48,530,157

### Historical Price



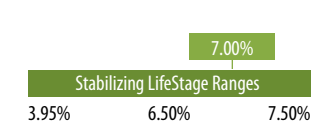
### Gross Dollars Raised\*



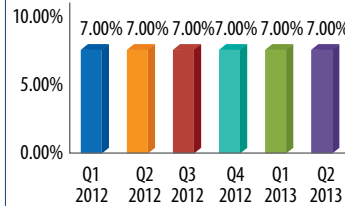
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

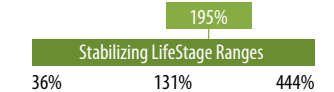


### Contact Information

[www.StrategicStorageTrust.com](http://www.StrategicStorageTrust.com)  
**Strategic Storage Trust**  
 111 Corporate Drive,  
 Suite 120  
 Ladera Ranch, CA 92694  
 (877) 327-3485

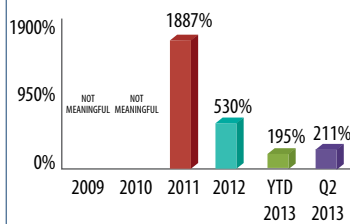
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: .....195%



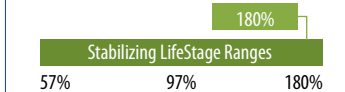
YTD Distributions Paid: . \$16,410,185  
 YTD FFO: .....\$8,418,708

### Historical FFO Payout Ratio



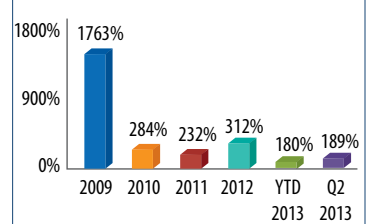
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: .....180%

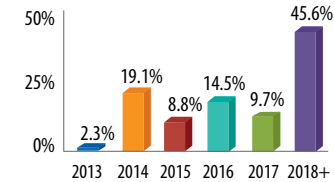


YTD Distributions Paid:.....\$16,410,185  
 YTD MFFO: .....\$9,093,877  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio

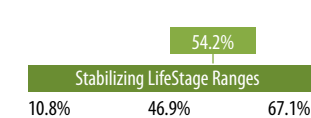


### Debt Repayment Schedule

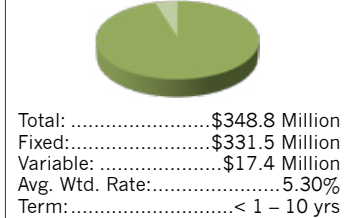


### Current Debt Ratio

Debt to Total Assets Ratio:.... 54.2%



### Debt Breakdown



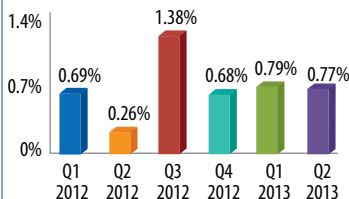
### Interest Coverage Ratio

YTD Interest Coverage Ratio:..... 2.0



Adjusted EBITDA: .....\$18,952,785  
 Interest Expense: .....\$9,259,827

### Redemptions



### Lease Expirations

Leases are month to month

### Trends and Items of Note

- The distribution yield of 7.00% is calculated based on a \$10.00 price per share.
- On May 30, 2013, the Company engaged Citigroup Global Markets Inc. to analyze its strategic alternatives. Management and the board of directors are also exploring the possibility of becoming self-administered.
- On July 10, 2013, the Company acquired a self storage facility located in North Charleston, South Carolina from an unaffiliated third party for a total purchase price of approximately \$6.6 million, plus closing costs and acquisition fees.
- The Company did not acquire any properties during the second quarter of 2013.
- The REIT's Debt to Total Assets ratio increased slightly to 54.2% as of 2Q 2013 compared to 53.7% as of Q2 2012.
- The Company hedged \$45,000,000 of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.

## Nontraded REIT Industry Review: Second Quarter 2013



## United Realty Trust, Inc.

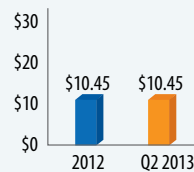
Total Assets.....	\$25.0 Million
Real Estate Assets .....	\$20.8 Million
Cash .....	\$0.0 Million
Securities .....	\$0.0 Million
Other .....	\$4.2 Million



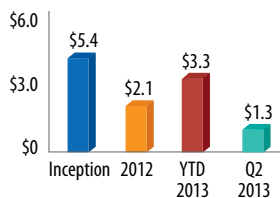
Cash to Total Assets Ratio: ..... 0.1%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 1 Multifamily; 1 Note  
 Square Feet / Units / Rooms / Acres: ..... 117 Units  
 Percent Leased: ..... 100%  
 LifeStage: ..... Emerging  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 499,541

Initial Offering Date: ..... August 15, 2012  
 Number of Months Fundraising: ..... 10  
 Anticipated Offering Close Date: ..... August 15, 2014  
 Current Price per Share: ..... \$10.45  
 Reinvestment Price per Share: ..... \$9.50

## Historical Price



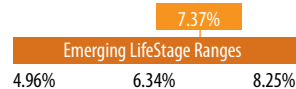
## Gross Dollars Raised\*



\*Includes reinvested distributions (in millions)

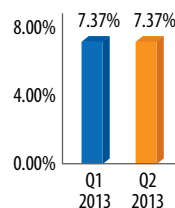
## Current Distribution

Current Distribution Yield: ... 7.37%



\*See Notes

## Historical Distribution



## Contact Information

[www.UnitedRealtyTrust.com](http://www.UnitedRealtyTrust.com)  
**United Realty Trust, Inc.**  
**44 Wall Street**  
**Second Floor**  
**New York, New York 10005**  
**(212) 388-6800**

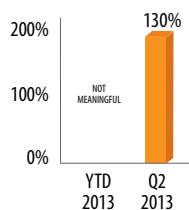
## Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL



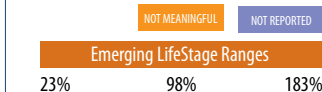
YTD Distributions Paid: ..... \$117,943  
 YTD FFO: ..... (\$1,918,107)

## Historical FFO Payout Ratio



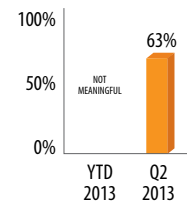
## Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

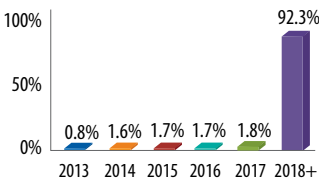


YTD Distributions Paid: ..... \$117,943  
 YTD MFFO: ..... (\$534,256)  
 \*BVP Adjusted-See Notes Company reported

## Historical MFFO Payout Ratio

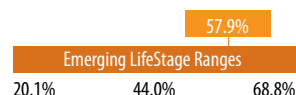


## Debt Repayment Schedule



## Current Debt Ratio

Debt to Total Assets Ratio: ... 57.9%



## Debt Breakdown

Total: ..... \$14.5 Million  
 Fixed: ..... \$14.5 Million  
 Variable: ..... \$0.0 Million  
 Avg. Wtd. Rate: ..... 5.00%  
 Term: ..... 5 yrs

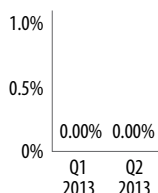
## Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL



Adjusted EBITDA: ..... (\$181,000)  
 Interest Expense: ..... \$213,000

## Redemptions



## Lease Expirations

Not Reported

## Trends and Items of Note

- On December 28, 2012, the Company broke escrow by meeting the minimum capital raise requirement.
- On May 24, 2013, Allied Beacon Partners, Inc., the "Dealer Manager", informed the Company that as a result of an award against Allied Beacon in an arbitration before FINRA in the amount of approximately \$1.6 million, wholly unrelated to the Company or to Allied Beacon's role as dealer manager for this IPO, Allied Beacon would not be able to meet its net capital requirement. On May 30, 2013, the IPO was suspended as a result thereof. While the IPO remains suspended, the Company is evaluating its dealer manager arrangements, and intends to engage Cabot Lodge as dealer manager, pending FINRA's review of the proposed arrangements under FINRA Rule 2310 - Direct Participation Programs.
- The REIT did not acquire any properties during the second quarter of 2013.
- For the first 5,000,000 shares sold during the current offering, the price is \$10.45 per share and \$11.00 per share with respect to the remaining 95,000,000 shares.
- The distribution yield noted above of 7.37% is based on a \$10.45 share price.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA"). However, because the Company did not report any data for the first six month period ending June 30, 2013, the MFFO figures noted above were estimated by Blue Vault Partners.
- See additional notes on page 101 for information regarding the source of distributions.



## Effective Nontraded REITs with Limited Operating Results

	Effective Date	LifeStage	Investment Style	Total Assets (in \$ Millions)	Minimum Shares Sold / Funds Released from Escrow	Gross Offering Proceeds Raised Since Inception (in \$ Millions)	Real Estate / Real Estate Related Assets Owned	Distributions Declared	Debt on Balance Sheet
<b>Corporate Property Associates 18 – Global, Inc.</b>	May 7, 2013	Emerging	Core	\$3.3	Yes	\$4.8	0	Class A: 6.2% Class C: 5.6%	NA
<b>Industrial Property Trust, Inc.</b>	August 14, 2013	Emerging	Core	NA	No	NA	0	None	None
<b>Medical Hospitality Group</b>	July 11, 2013	Emerging	Debt	\$0.65	No	NA	0	None	None
<b>NorthStar Real Estate Income II, Inc.</b>	May 6, 2013	Emerging	Debt	\$0.2	No	NA	0	NA	NA
<b>Plymouth Opportunity REIT, Inc.</b>	November 1, 2011	Emerging	Opportunistic	\$2.0	Yes	\$5.3	2	0.15 shares per share	None

### Corporate Property Associates 18 – Global, Inc.

Daily distributions began to accrue once subscription proceeds for common stock reached the minimum offering amount of \$2,000,000. The Company began admitting stockholders on July 25, 2013. As of June 30, 2013, the Company had not raised the minimum amount of subscription proceeds and, therefore, no distributions had accrued for either Class A or Class C Shares at that date.

On June 19, 2013, the Board of Directors declared distributions at a daily rate of \$0.0016983 for the Class A Shares and \$0.0014442 for the Class C Shares for the quarter ending September 30, 2013, payable to stockholders of record on each day of the quarter on or about October 15, 2013.

As of July 25, 2013, subscription proceeds for common stock exceeded the minimum offering amount of \$2,000,000 and the Company began admitting stockholders. Since it has begun to admit stockholders and through August 5, 2013, the Company has raised offering proceeds for both Class A Shares and Class C Shares of \$3,584,500 and \$1,186,400 (net of selling commissions and discounts, where applicable), respectively.

On May 7, 2013, the REIT was declared effective. The Registration Statement covers the initial public offering of up to \$1.0 billion of common stock, in any combination of Class A and Class C Shares at a price of \$10.00 per Class A Share and \$9.35 per Class C Share.

### NorthStar Real Estate Income II, Inc.

As of June 30, 2013, the Company had not begun issuing shares in its Primary Offering and neither the Company nor the Operating Partnership had acquired or contracted to make any investments. Also as of June 30, 2013, the Advisor had not identified any investments in which there is a reasonable probability that the Company or the Operating Partnership will invest.

### Plymouth Opportunity REIT, Inc.

The SEC declared the Company effective on November 1, 2011, and it retained Plymouth Real Estate Capital, LLC, an affiliate of the Company, to act as the Dealer Manager of the Offering.

On July 26, 2012, the Company broke escrow in the Offering and through August 14, 2013 had 595,128 shares of our common stock outstanding with gross offering proceeds of \$5.346 million.

On August 7, 2013, the Board of Directors declared a stock dividend of 1.5% of each outstanding share of common stock, \$0.01 par value per share, to the stockholders of record at the close of business on September 30, 2013 to be issued on October 15, 2013.

As of June 30, 2013, the Company has made two equity investments. The first was in Wyntrope Forest, a 270-unit, 23-building multifamily community in a suburb of Atlanta, Georgia. The second was in TCG Cincinnati DRE LP, a three-building industrial portfolio totaling approximately 576,751 square feet in the Greater Cincinnati area.

# Nontraded REIT Industry Review: Second Quarter 2013



## American Realty Capital Healthcare Trust, Inc.

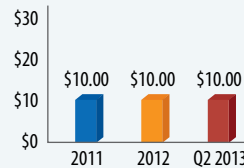
Total Assets.....	\$1,724.5 Million
Real Estate Assets .....	\$833.0 Million
Cash.....	\$852.2 Million
Securities .....	\$18.0 Million
Other.....	\$21.2 Million



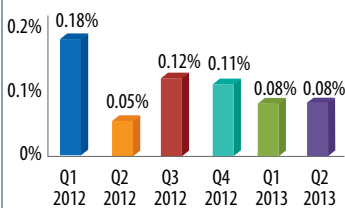
Initial Offering Date: ..... February 18, 2011  
 Offering Close Date: ..... April 26, 2013  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during Offering (including DRP)..... \$1,800.0 Million

Cash to Total Assets Ratio: ..... 49.4%  
 Asset Type: ..... Medical Office / Healthcare  
 Number of Properties: ..... 70  
 Square Feet / Units / Rooms / Acres: ..... 3.0 Million Sq. Ft.  
 Percent Leased: ..... 95.4%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 77,029,025

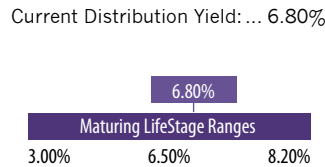
### Historical Price



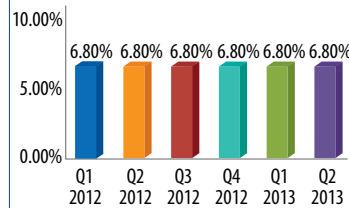
### Redemptions



### Current Distribution



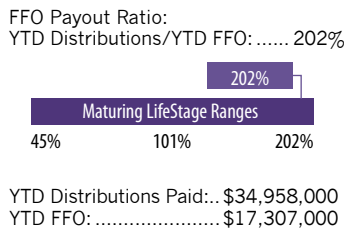
### Historical Distribution



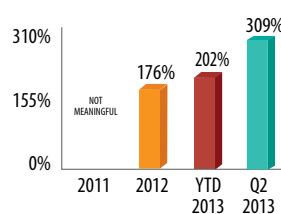
### Contact Information

[www.AmericanRealtyCap.com](http://www.AmericanRealtyCap.com)  
**American Realty Capital Healthcare Trust, Inc.**  
 405 Park Avenue  
 New York, NY 10022  
 212-415-6500

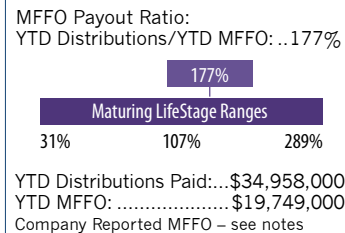
### Year to Date FFO Payout Ratio



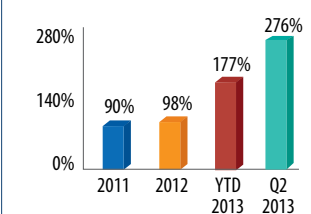
### Historical FFO Payout Ratio



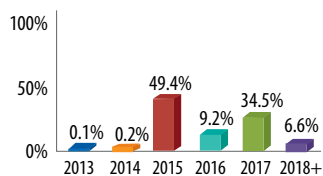
### Year to Date MFFO Payout Ratio



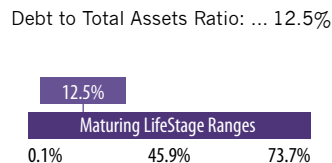
### Historical MFFO Payout Ratio



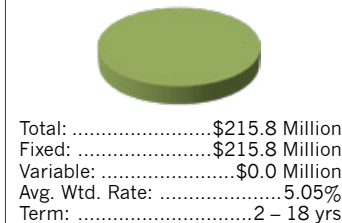
### Debt Repayment Schedule



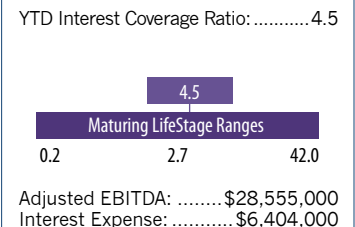
### Current Debt Ratio



### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations

Average remaining lease term of 10.3 years

### Trends and Items of Note

- On April 26, 2013, the Company closed the IPO following the successful achievement of its target equity raise, including the shares reallocated from the DRIP.
- For 2Q 2013, the Company acquired 12 properties for a total of \$135.2 million.
- The Company's Cash to Total Assets ratio increased to 49.4% as of 2Q 2013 compared to 0.6% as of 2Q 2012.
- The REIT's Debt to Total Assets ratio decreased to 12.5% as of 2Q 2013 compared to 45.7% as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## American Realty Capital Trust IV, Inc.

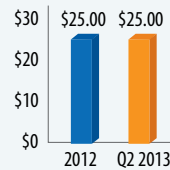
Total Assets.....	\$1,529.8 Million
Real Estate Assets ...	\$1,134.4 Million
Cash .....	\$261.5 Million
Securities .....	\$68.1 Million
Other .....	\$65.8 Million



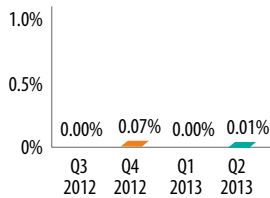
Initial Offering Date: ..... June 8, 2012  
 Anticipated Offering Close Date: ..... April 15, 2013  
 Current Price per Share: ..... \$25.00  
 Reinvestment Price per Share: ..... Not Applicable  
 Cumulative Capital Raised during Offering (including DRP)..... \$1,732.8 Million

Cash to Total Assets Ratio: ..... 17.1%  
 Asset Type: ..... Retail  
 Number of Properties: ..... 585  
 Square Feet / Units / Rooms / Acres: ..... 5.9 Million Sq. Ft.  
 Percent Leased: ..... 100%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 70,496,757

### Historical Price

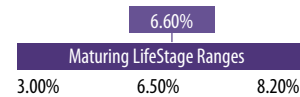


### Redemptions

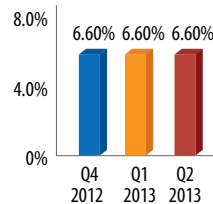


### Current Distribution

Current Distribution Yield: ... 6.60%



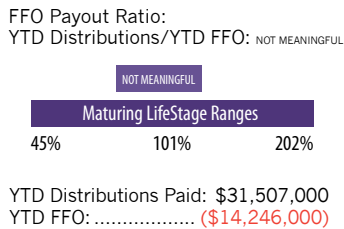
### Historical Distribution



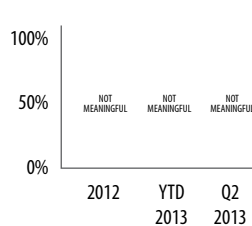
### Contact Information

**www.arct-4.com**  
**American Realty Capital Trust IV, Inc.**  
**405 Park Avenue, 15th floor**  
**New York, New York 10022**  
**(212) 415-6500**

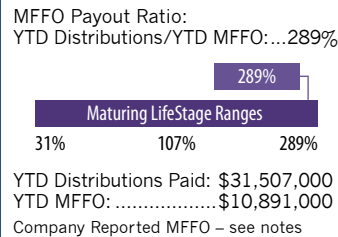
### Year to Date FFO Payout Ratio



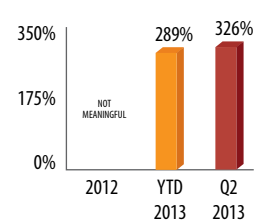
### Historical FFO Payout Ratio



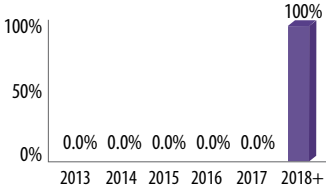
### Year to Date MFFO Payout Ratio



### Historical MFFO Payout Ratio

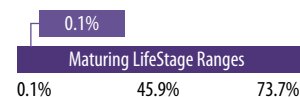


### Debt Repayment Schedule

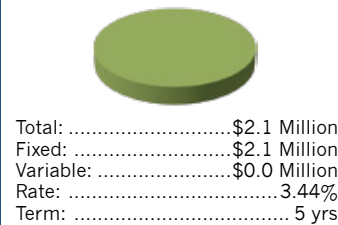


### Current Debt Ratio

Debt to Total Assets Ratio: ..... 0.1%



### Debt Breakdown



### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 42.0



Adjusted EBITDA: ..... \$7,816,000  
 Interest Expense: ..... \$186,000

### Lease Expirations

Average Lease Term is  
 11.7 years

### Trends and Items of Note

- On April 15, 2013, the Company closed its IPO following the successful achievement of its target equity raise of \$1.7 billion, including proceeds from DRIP shares of common stock reallocated to the primary offering.
- On July 1, 2013, the Company entered into an Agreement and Plan of Merger with American Realty Capital Properties, Inc and certain subsidiaries of each company. The Merger Agreement provides for the merger of the Company with and into a subsidiary of ARCP.
- As a result of the recent offering close, the REIT moved into the Maturing LifeStage.
- The REIT acquired 472 properties during 2Q 2013 for a total of \$907.3 million.
- The Company's Cash to Total Assets ratio increased to 17.1% as of 2Q 2013 compared to 69.8% as of 1Q 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Apple REIT Seven, Inc.

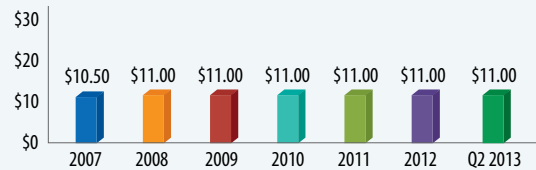
Total Assets.....	\$827.6 Million
Real Estate Assets .....	\$801.9 Million
Cash.....	\$0.0 Million
Securities .....	\$0.0 Million
Other.....	\$25.6 Million



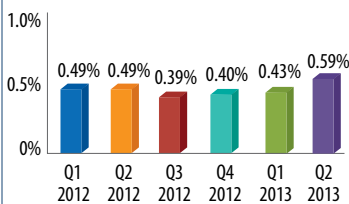
Initial Offering Date: ..... March 15, 2006  
 Offering Close Date: ..... July 16, 2007  
 Current Price per Share: ..... \$11.00  
 Reinvestment Price per Share: ..... \$11.00  
 Cumulative Capital Raised during Offering (including DRP)..... \$1,003.2 Million

Cash to Total Assets Ratio: ..... 0.00%  
 Asset Type: ..... Hospitality  
 Number of Properties: ..... 51  
 Square Feet / Units / Rooms / Acres: ..... 6,426 Rooms  
 Percent Leased: ..... 80%  
 LifeStage: ..... Liquidating  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 90,608,000

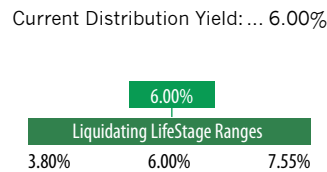
### Historical Price



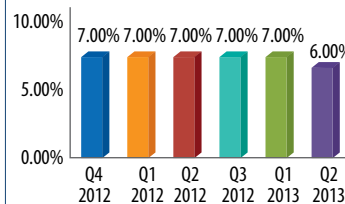
### Redemptions



### Current Distribution



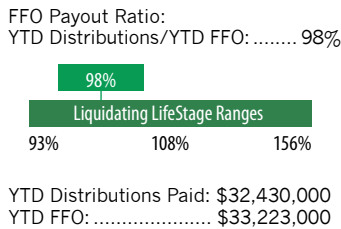
### Historical Distribution



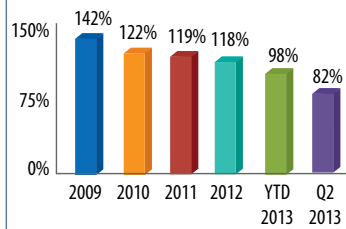
### Contact Information

**www.AppleREITSeven.com**  
**814 E. Main Street**  
**Richmond, VA 23219**  
**804-727-6321**

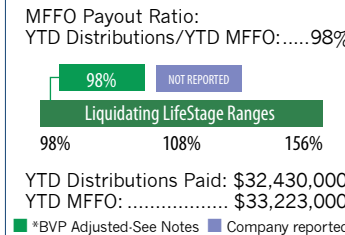
### Year to Date FFO Payout Ratio



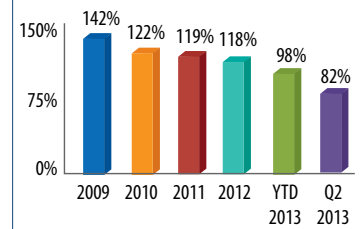
### Historical FFO Payout Ratio



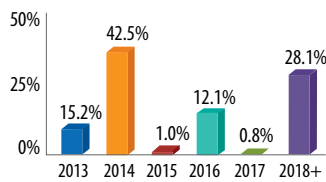
### Year to Date MFFO Payout Ratio



### Historical MFFO Payout Ratio

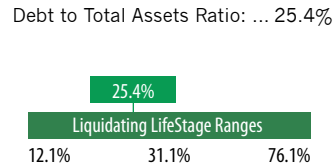


### Debt Repayment Schedule\*

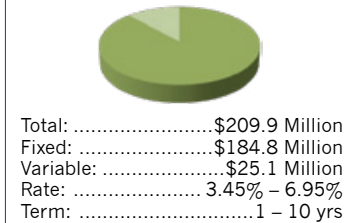


\*As of 12/31/12

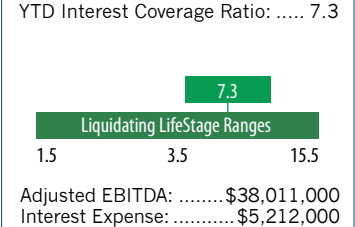
### Current Debt Ratio



### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations

Not Applicable

### Trends and Items of Note

- In 2013, the Company's Board of Directors approved a reduction of the annual distribution rate from \$0.77 to \$0.66 per common share, effective with the distributions paid in April 2013. The Company's distributions will continue to be paid monthly.
- The REIT made no property acquisitions or dispositions in 2Q 2013.
- On August 7, 2013, after the approval by its Board of Directors, the Company entered into an Agreement and Plan of Merger with Apple REIT Eight, Inc. and Apple REIT Nine, Inc., where the Company and Apple REIT Eight, Inc. would merge into Apple REIT Nine, Inc. Under the Agreement and Plan of Merger, each outstanding Unit of the Company would be exchanged for one common share of Apple REIT Nine, Inc. and each outstanding Unit of Apple REIT Eight, Inc. would be exchanged for 0.85 common shares of Apple REIT Nine, Inc. The transaction is subject to shareholder approval by each of the companies and to customary closing conditions.
- Effective June 19, 2013, the Board of Directors suspended the Company's Unit Redemption Program, as it evaluates a potential consolidation transaction in which the Company, Apple REIT Eight, Inc. and Apple REIT Nine, Inc. would be combined.
- The REIT's Interest Coverage Ratio as of 2Q 2013 was 7.3x compared to 6.8x as of 2Q 2012.
- The Company does not calculate modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA"). As a result, the figures reported above were estimated by Blue Vault Partners.
- See additional notes on page 98 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013



## Apple REIT Eight, Inc.

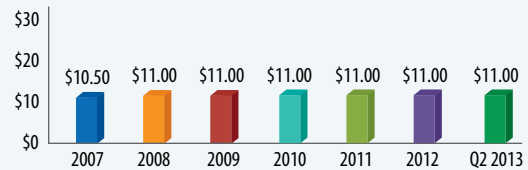
Total Assets.....	\$904.1 Million
Real Estate Assets .....	\$875.8 Million
Cash.....	\$0.0 Million
Securities .....	\$0.0 Million
Other.....	\$28.3 Million



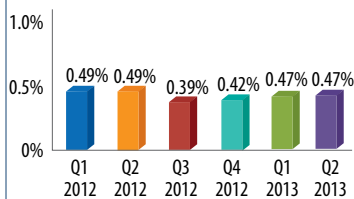
Initial Offering Date: ..... July 19, 2007  
 Offering Close Date: ..... April 30, 2008  
 Current Price per Share: ..... \$11.00  
 Reinvestment Price per Share: ..... \$11.00  
 Cumulative Capital Raised during Offering (including DRP)..... \$1,096.8 Million

Cash to Total Assets Ratio: ..... 0.0%  
 Asset Type: ..... Hospitality  
 Number of Properties: ..... 51  
 Square Feet / Units / Rooms / Acres: ..... 5,914 Rooms  
 Percent Leased: ..... 79%  
 LifeStage: ..... Liquidating  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 92,615,000

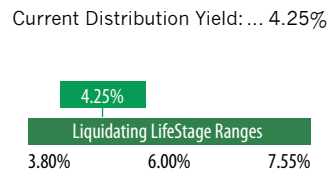
### Historical Price



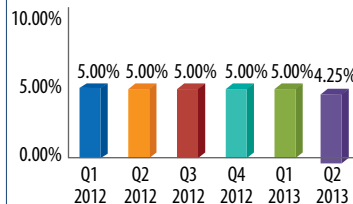
### Redemptions



### Current Distribution



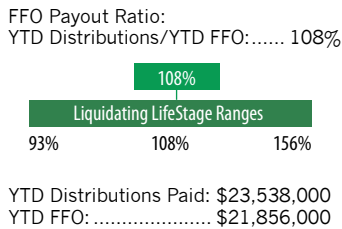
### Historical Distribution



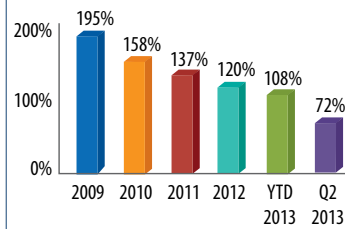
### Contact Information

[www.AppleREITEight.com](http://www.AppleREITEight.com)  
**814 E. Main Street**  
**Richmond, VA 23219**  
**804-727-6321**

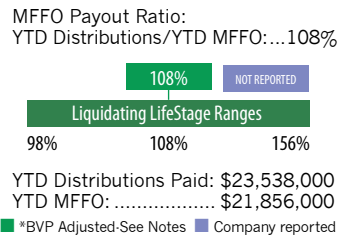
### Year to Date FFO Payout Ratio



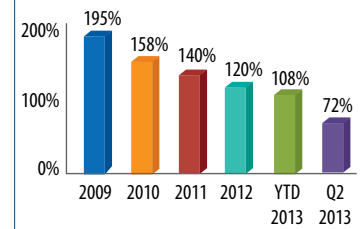
### Historical FFO Payout Ratio



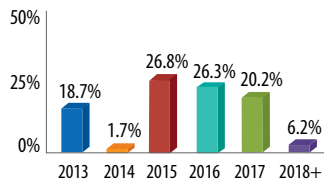
### Year to Date MFFO Payout Ratio



### Historical MFFO Payout Ratio

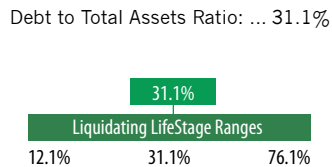


### Debt Repayment Schedule\*

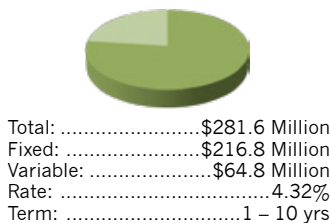


\*As of 12/31/12

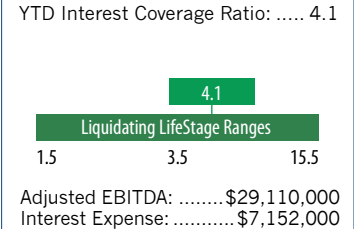
### Current Debt Ratio



### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations

Not Applicable

### Trends and Items of Note

- In 2013, the Company's Board of Directors approved a reduction of the monthly distribution rate to \$0.038958 (\$0.4675 on an annual basis) effective for the distribution paid in April 2013. The Company's distributions continue to be paid monthly.
- The REIT made no property acquisitions or dispositions in 2Q 2013.
- On August 7, 2013, after the approval by its Board of Directors, the Company entered into an Agreement and Plan of Merger with Apple REIT Seven, Inc. and Apple REIT Nine, Inc., where Apple REIT Seven, Inc. and the Company would merge into Apple REIT Nine, Inc. Under the Agreement and Plan of Merger, each outstanding Unit of Apple REIT Seven, Inc. would be exchanged for one common share of Apple REIT Nine, Inc. and each outstanding Unit of the Company would be exchanged for 0.85 common shares of Apple REIT Nine, Inc. The transaction is subject to shareholder approval by each of the companies and to customary closing conditions.
- Effective June 19, 2013, the Board of Directors suspended the Company's Dividend Reinvestment Plan, as it assesses the Consolidation Transaction.
- Occupancy increased to 79% as of 2Q 2013 compared to 77% in 2Q 2012.
- The Company does not calculate modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA"). As a result, the figures reported above were estimated by Blue Vault Partners.
- See additional notes on page 98 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Apple REIT Nine, Inc.

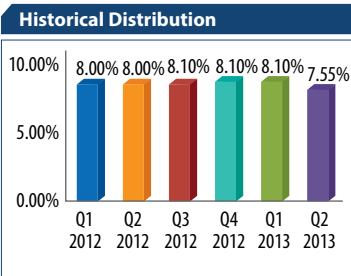
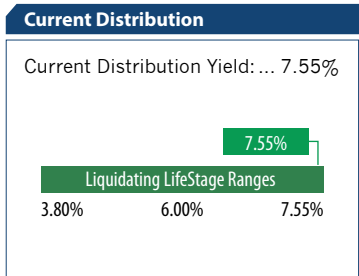
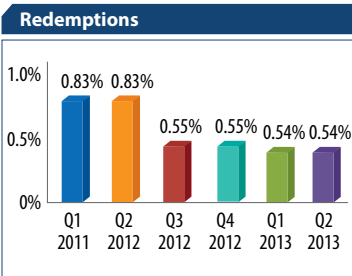
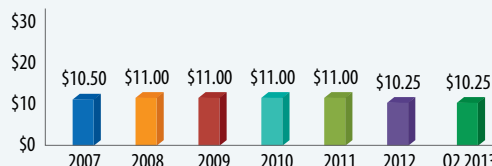
Total Assets.....	\$1,509.2 Million
Real Estate Assets ...	\$1,451.1 Million
Cash.....	\$0.0 Million
Securities .....	\$0.0 Million
Other.....	\$58.0 Million



Initial Offering Date: .....April 25, 2008  
 Offering Close Date: ..... December 9, 2010  
 Current Price per Share: .....\$10.25  
 Reinvestment Price per Share: .....\$10.25  
 Cumulative Capital Raised during Offering (including DRP).....\$1,994.3 Million

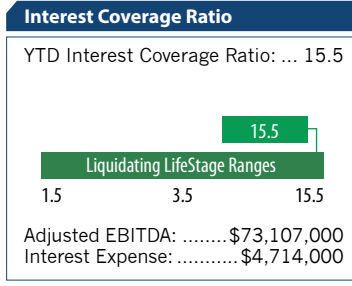
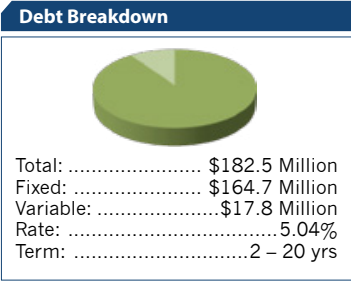
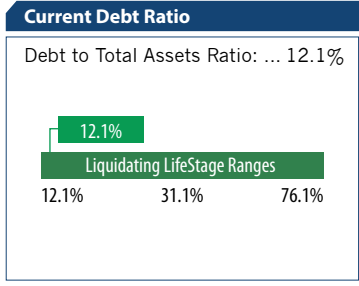
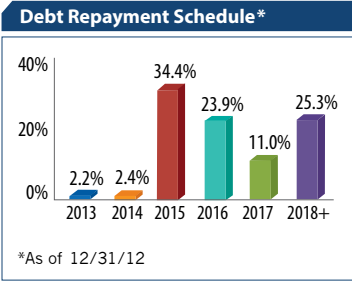
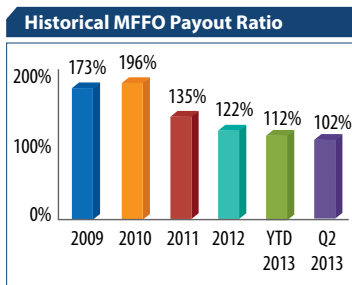
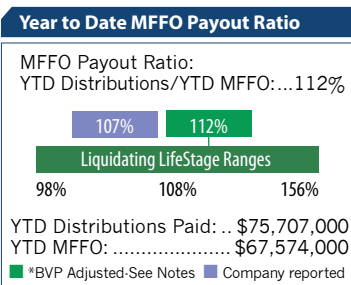
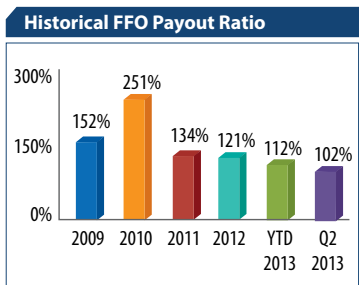
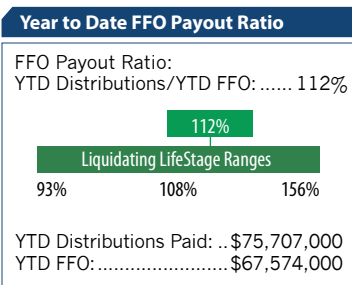
Cash to Total Assets Ratio: ..... 0.0%  
 Asset Type: .....Hospitality  
 Number of Properties:..... 89  
 Square Feet / Units / Rooms / Acres:..... 11,371 Rooms  
 Percent Leased: ..... 80%  
 LifeStage:..... Liquidating  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 182,496,000

### Historical Price



### Contact Information

**www.AppleREITNine.com**  
**814 E. Main Street**  
**Richmond, VA 23219**  
**804-727-6321**



### Lease Expirations

Not Applicable

- ### Trends and Items of Note
- The REIT made no property acquisitions or dispositions in 2Q 2013.
  - On August 7, 2013, after the approval by its Board of Directors, the Company entered into an Agreement and Plan of Merger with Apple REIT Seven, Inc. and Apple REIT Eight, Inc., where Apple REIT Seven, Inc. and Apple REIT Eight, Inc. would merge into the Company. Under the Agreement and Plan of Merger, each outstanding Unit of Apple REIT Seven, Inc. would be exchanged for one common share of the Company and each outstanding Unit of Apple REIT Eight, Inc. would be exchanged for 0.85 common shares of the Company. The transaction is subject to shareholder approval by each of the companies and to customary closing conditions.
  - The Cash to Total Assets ratio remained relatively unchanged at 0.0% for 2Q 2013 compared to 0.5% as of 2Q 2012.
  - This REIT's Debt to Total Assets ratio increased to 11.4% as of 2Q 2013 compared to 9.8% as of 2Q 2012.
  - The Company reported year-to-date MFFO as of June 30, 2013 of \$70.8 million which BVP adjusted to exclude interest earned on a note receivable of \$3.15 million.
  - See additional notes on page 98 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Behringer Harvard Multifamily REIT I, Inc.

Total Assets .....	\$2,681.3 Million
Real Estate Assets ...	\$2,220.1 Million
Cash .....	\$343.9 Million
Securities .....	\$0.0 Million
Other .....	\$161.8 Million



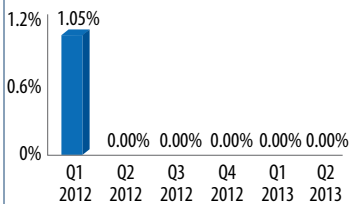
Initial Offering Date: .....	September 5, 2008
Offering Close Date: .....	September 2, 2011
Current Price per Share: .....	\$10.03
Reinvestment Price per Share: .....	\$9.53
Cumulative Capital Raised during Offering (including DRP): .....	\$1,531.4 Million

Cash to Total Assets Ratio: ..... 12.8%  
 Asset Type: ..... Multifamily  
 Number of Properties: ..... 47 Properties; 4 Debt Investments  
 Square Feet / Units / Rooms / Acres: ..... 9,006 Units  
 Percent Leased: ..... 96%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 168,886,000

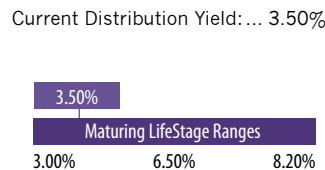
### Historical Price



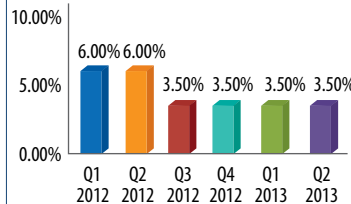
### Redemptions



### Current Distribution



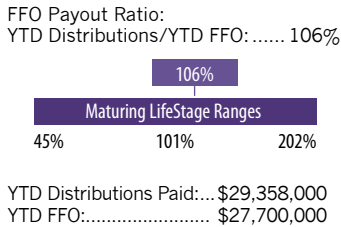
### Historical Distribution



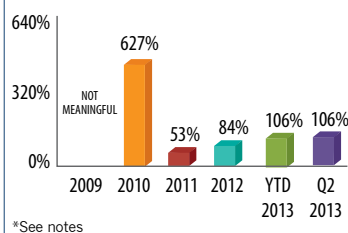
### Contact Information

[www.BehringerHarvard.com](http://www.BehringerHarvard.com)  
**Behringer Harvard**  
 15601 Dallas Parkway,  
 Suite 600  
 Addison, TX 75001  
 866-655-3600

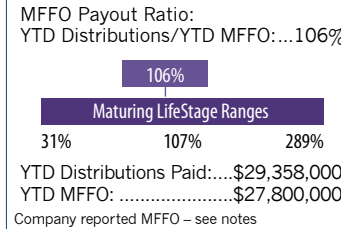
### Year to Date FFO Payout Ratio



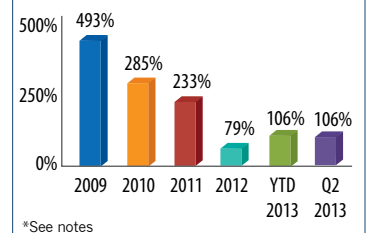
### Historical FFO Payout Ratio\*



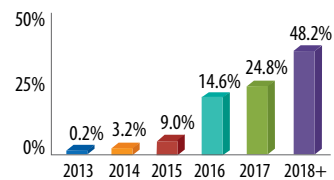
### Year to Date MFFO Payout Ratio



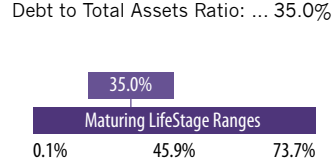
### Historical MFFO Payout Ratio\*



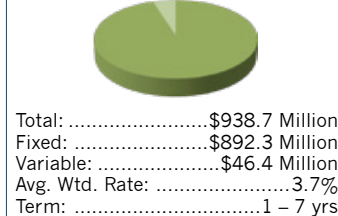
### Debt Repayment Schedule



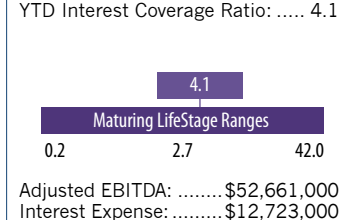
### Current Debt Ratio



### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations

Less than one year

### Trends and Items of Note

- 2012 FFO and MFFO payout ratio changes reflect adjustments for special distributions.
- The REIT sold two properties during 2Q 2013 for a total of \$139.3 million.
- Effective on March 1, 2013, the board of directors established an estimated per share value of common stock of \$10.03 per share and a DRIP offering price of \$9.53 per share.
- Effective from April 1, 2012 through February 28, 2013, the board of directors suspended the Share Redemption Plan (SRP). In connection with its determination of the estimated value of shares effective March 1, 2013, the board of directors modified and reinstated the SRP which permits stockholders to sell their shares back to the Company subject to the significant conditions and limitations of the program. The modified and reinstated SRP is effective as of March 1, 2013 and the first time period redemptions will be considered under the modified and reinstated SRP will be at the end of the second quarter 2013 for all properly submitted redemption requests received (i) on or prior to May 31, 2012, and not satisfied or withdrawn since that time, and (ii) between March 1, 2013 and May 31, 2013.
- The REIT's Interest Coverage ratio increased to 4.1x as of 2Q 2013 compared to 2.8x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Behringer Harvard Opportunity REIT I, Inc.

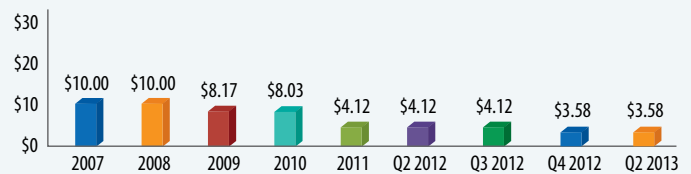
Total Assets.....\$334.9 Million  
 Real Estate Assets .....\$258.1 Million  
 Cash.....\$37.9 Million  
 Securities .....\$0.0 Million  
 Other.....\$38.9 Million



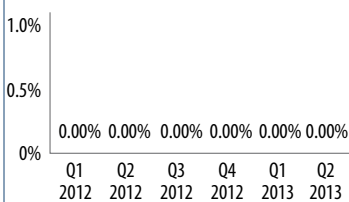
Cash to Total Assets Ratio: ..... 11.3%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 10  
 Square Feet / Units / Rooms / Acres: ..... 772,500 Sq. Ft.  
 Percent Leased: ..... Not Reported  
 LifeStage: ..... Liquidating  
 Investment Style: ..... Opportunistic  
 Weighted Average Shares Outstanding: ..... 56,500,472

Initial Offering Date: ..... September 20, 2005  
 Offering Close Date: ..... December 28, 2007  
 Current Price per Share\*: ..... \$3.58  
 Reinvestment Price per Share: ..... NA  
 Cumulative Capital Raised during Offering (including DRP).....\$548.61 Million

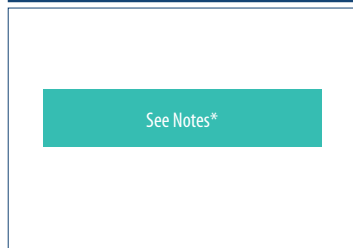
### Historical Price



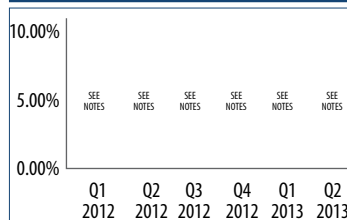
### Redemptions



### Current Distribution



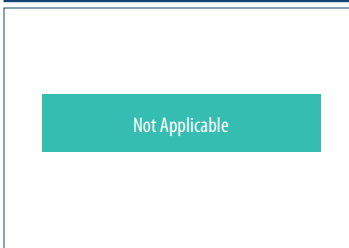
### Historical Distribution



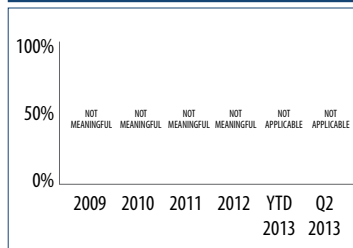
### Contact Information

[www.BehringerHarvard.com](http://www.BehringerHarvard.com)  
**Behringer Harvard Investment Services**  
 15601 Dallas Pkwy, Suite 600  
 Addison, TX 75011  
 866-655-3600

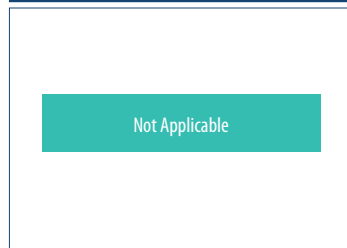
### Year to Date FFO Payout Ratio



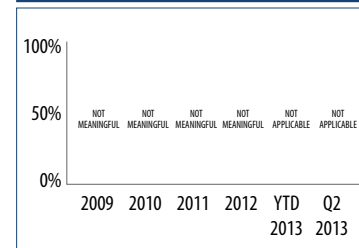
### Historical FFO Payout Ratio



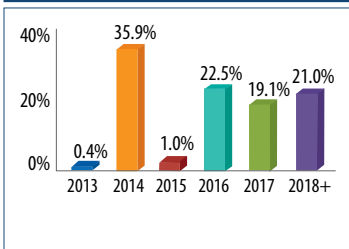
### Year to Date MFFO Payout Ratio



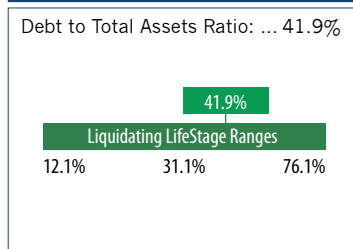
### Historical MFFO Payout Ratio



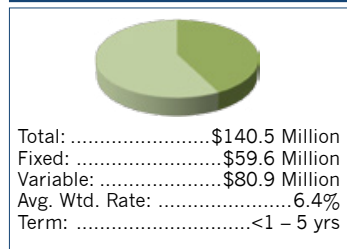
### Debt Repayment Schedule



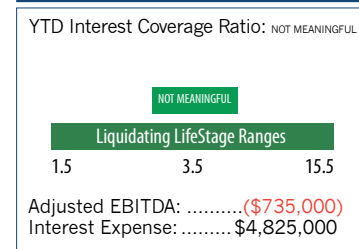
### Current Debt Ratio



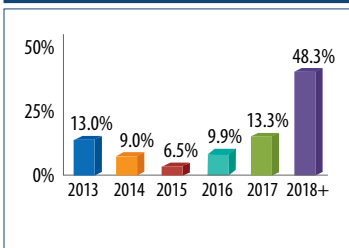
### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations



### Trends and Items of Note

- The REIT made two dispositions in 2Q 2013 for \$29.1 million.
- On December 14, 2012, the board of directors established an estimated per-share value of common stock of \$3.58. There is no price for the distribution reinvestment plan as it was terminated in 2007.
- In connection with entering the disposition phase, on March 28, 2011, the board of directors discontinued regular quarterly distributions in favor of those that may arise from proceeds available to be distributed from asset sales.
- Because the Company's EBITDA was negative for the six months ending June 30, 2013, the REIT's Interest Coverage Ratio is not meaningful.
- The FFO and MFO payout ratios are not applicable because the Company did not pay any distributions during the quarter.
- See additional notes on page 98 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



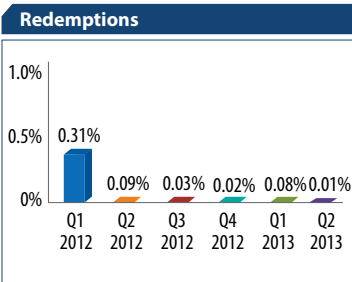
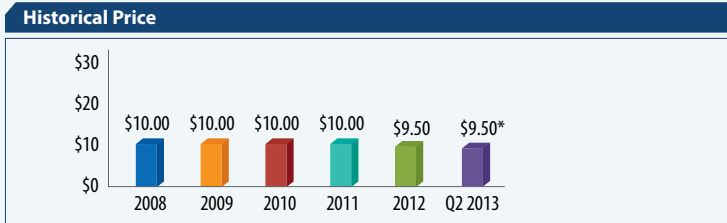
## Behringer Harvard Opportunity REIT II, Inc.

Total Assets.....	\$415.6 Million
Real Estate Assets .....	\$319.6 Million
Cash.....	\$68.7 Million
Securities .....	\$0.0 Million
Other.....	\$27.3 Million



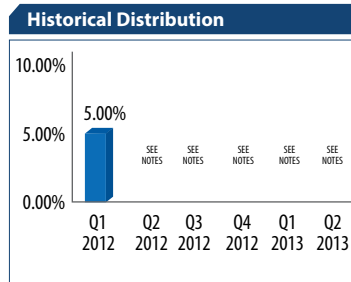
Initial Offering Date: ..... January 21, 2008  
 Offering Close Date: ..... March 15, 2012  
 Current Price per Share: ..... \$9.50\*  
 Reinvestment Price per Share: ..... See Notes  
 Cumulative Capital Raised during Offering (including DRP).....\$265.3 Million

Cash to Total Assets Ratio: ..... 16.5%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 12  
 Square Feet / Units / Rooms / Acres: ..... 1.7 Million Sq. Ft.,  
 ..... 311 Rooms And 2,612 Units  
 Percent Leased: ..... See Notes  
 LifeStage: ..... Maturing  
 Investment Style: ..... Opportunistic  
 Weighted Average Shares Outstanding: ..... 26,039,000



### Current Distribution

See Notes

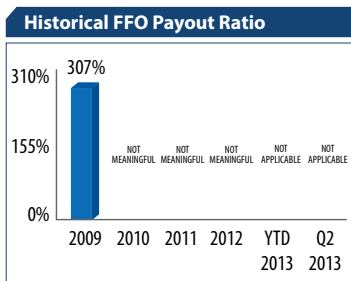


### Contact Information

[www.BehringerHarvard.com](http://www.BehringerHarvard.com)  
**Behringer Harvard**  
 15601 Dallas Parkway,  
 Suite 600  
 Addison, TX 75001  
 866-655-3600

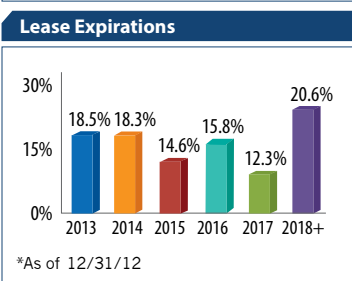
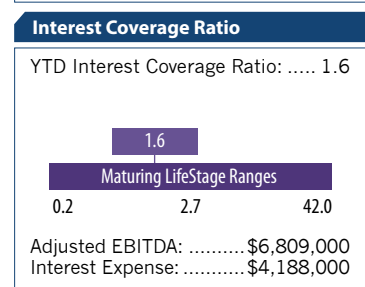
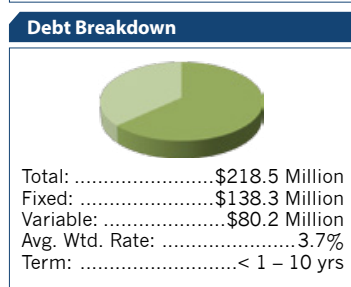
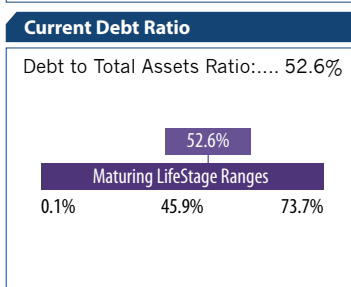
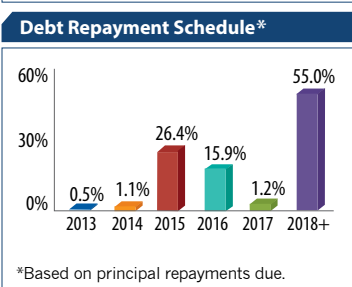
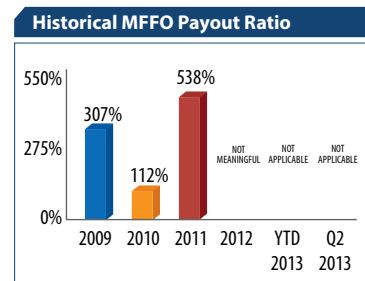
### Year to Date FFO Payout Ratio

Not Applicable



### Year to Date MFFO Payout Ratio

Not Applicable



- ### Trends and Items of Note
- The Company provided an estimated per share value of common stock is \$10.09 per share as of August 1, 2013.
  - During the second quarter of 2013, the Company sold one property for a total purchase price of \$40.4 million and purchased one property for 28.1 million.
  - On March 20, 2012, the board of directors determined to cease regular, monthly distributions in favor of payment of periodic distributions from excess proceeds from asset dispositions or from other sources as necessary to maintain its REIT tax status.
  - The REIT's Debt to Total Assets ratio decreased to 52.6% as of 1Q 2013 compared to 53.5% as of 2Q 2012.
  - The REIT's Interest Coverage ratio increased to 1.6x as of 2Q 2013 compared to 1.1x as of 2Q 2012.
  - The FFO and MFO payout ratios are not applicable because the Company did not pay any distributions during the quarter.
  - See additional notes on page 98 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## CNL Lifestyle Properties, Inc.

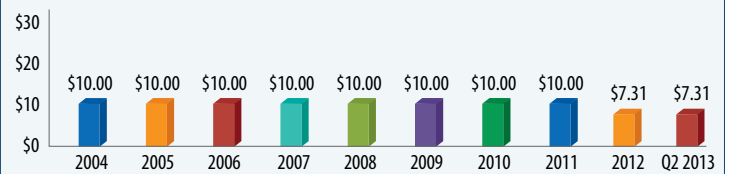
Total Assets.....	\$2,891.9 Million
Real Estate Assets ...	\$2,536.0 Million
Cash.....	\$90.6 Million
Securities .....	\$0.0 Million
Other.....	\$265.4 Million



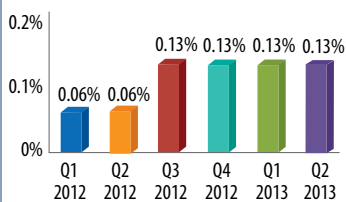
Initial Offering Date: ..... April 16, 2004  
 Offering Close Date: ..... April 9, 2011  
 Current Price per Share: ..... \$7.31  
 Reinvestment Price per Share: ..... \$6.95  
 Cumulative Capital Raised during Offering (including DRP)..... \$4,826.45 Million

Cash to Total Assets Ratio: ..... 3.1%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 177  
 Square Feet / Units / Rooms / Acres: ..... Not Reported  
 Percent Leased: ..... Not Reported  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 317,959,000

### Historical Price

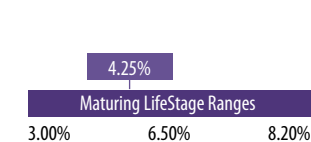


### Redemptions

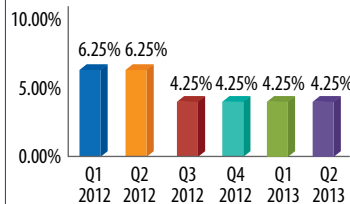


### Current Distribution

Current Distribution Yield: ... 4.25%



### Historical Distribution

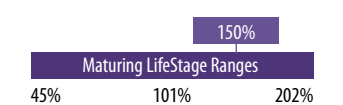


### Contact Information

[www.CNLLifestyleREIT.com](http://www.CNLLifestyleREIT.com)  
**CNL Client Services**  
 P.O. Box 4920  
 Orlando, FL 32802  
 866-650-0650

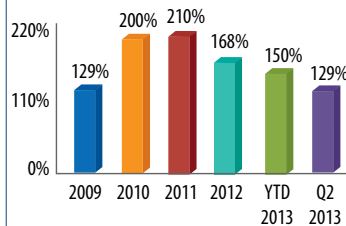
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 150%



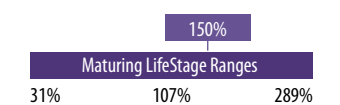
YTD Distributions Paid:.. \$67,393,000  
 YTD FFO: ..... \$45,016,000

### Historical FFO Payout Ratio



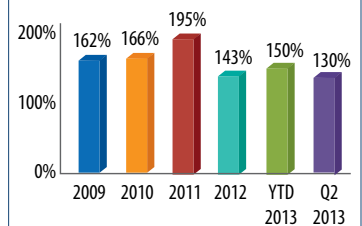
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 150%

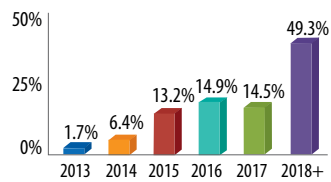


YTD Distributions Paid: .. \$67,393,000  
 YTD MFFO: ..... \$44,885,000  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio



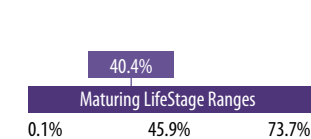
### Debt Repayment Schedule\*



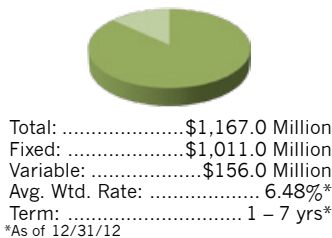
\*Based on principal payments due as of 12/31/12.

### Current Debt Ratio

Debt to Total Assets Ratio: ... 40.4%

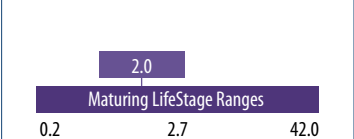


### Debt Breakdown



### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.0



Adjusted EBITDA: ..... \$72,396,000  
 Interest Expense: ..... \$36,785,000

### Lease Expirations\*

Average Lease Term for NNN  
 is 15 years

\*As of 12/31/12

### Trends and Items of Note

- The REIT sold one property for \$8.5 million during 2Q 2013 and also acquired one property for \$22.0 million.
- On August 9, 2012, the Board approved a reduction in quarterly distribution to \$0.10625 per share, effective during the third quarter of 2012. On an annualized basis, this amount represents a yield of 5.81% percent of the new estimated fair value per share and 4.25% on the original \$10.00 per share value offering price.
- The Debt to Total Assets ratio decreased to 40.4% as of 2Q 2013 compared to 36.6% as of 2Q 2012.
- When aggregated by initial purchase price, the portfolio is diversified as follows: approximately 25% in ski and mountain lifestyle, 20% in golf facilities, 11% in senior housing, 18% in attractions, 7% in marinas and 19% in additional lifestyle properties.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 98 for information regarding the source of distributions.

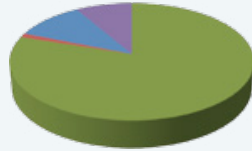


# Nontraded REIT Industry Review: Second Quarter 2013



## Columbia Property Trust, Inc.

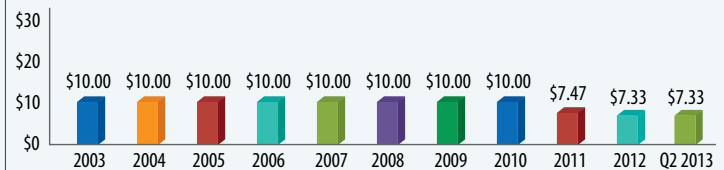
Total Assets.....	\$5,603.4 Million
Real Estate Assets ...	\$4,480.5 Million
Cash.....	\$61.7 Million
Securities .....	\$586.0 Million
Other.....	\$475.3 Million



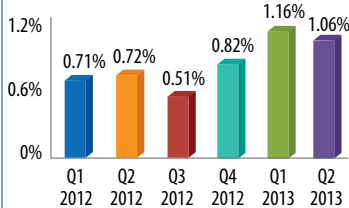
Initial Offering Date: ..... December 1, 2003  
 Offering Close Date: ..... June 30, 2010  
 Current Price per Share: ..... \$7.33  
 Reinvestment Price per Share: ..... \$7.00  
 Cumulative Capital Raised during Offering (including DRP)..... \$5,800 Million

Cash to Total Assets Ratio: ..... 1.1%  
 Asset Type: ..... Office  
 Number of Properties: ..... 61  
 Square Feet / Units / Rooms / Acres: ..... 20.8 Million  
 Percent Leased: ..... 93%  
 LifeStage: ..... Liquidating  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 135,815,500

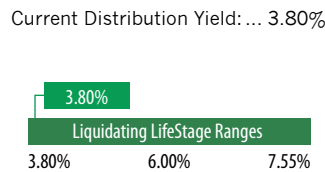
### Historical Price



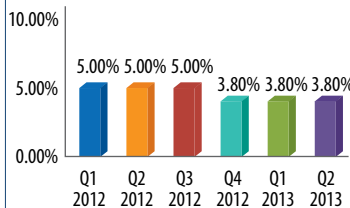
### Redemptions



### Current Distribution



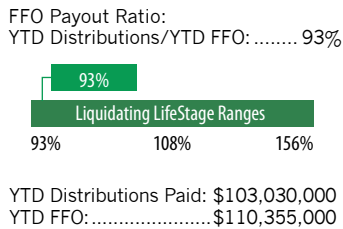
### Historical Distribution



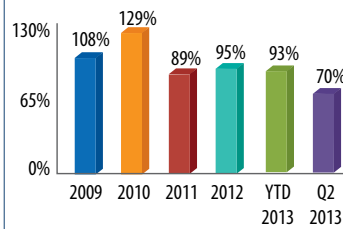
### Contact Information

**www.WellsREITii.com**  
**Wells Real Estate Funds**  
**P.O. Box 926040**  
**Norcross, GA 30010**  
**800-557-4830**

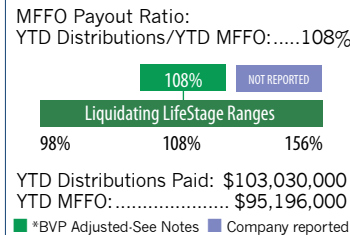
### Year to Date FFO Payout Ratio



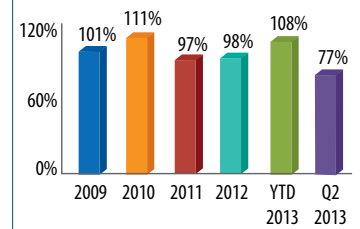
### Historical FFO Payout Ratio



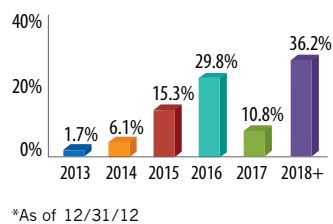
### Year to Date MFFO Payout Ratio



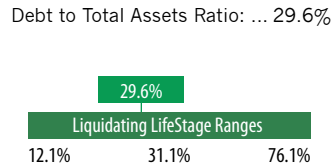
### Historical MFFO Payout Ratio



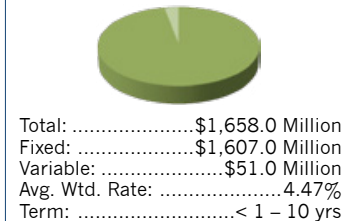
### Debt Repayment Schedule\*



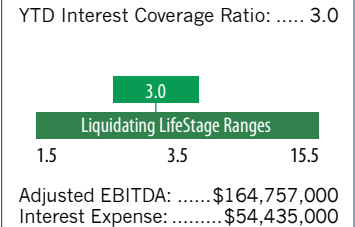
### Current Debt Ratio



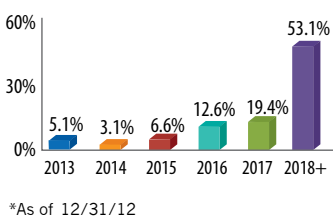
### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations\*



### Trends and Items of Note

- The Company is preparing for a stockholder liquidity event and believes that listing on a national exchange will provide the most flexible means by which to maximize its long-term value.
- On August 14, 2013, the Company filed the Second Articles of Amendment and the Third Articles of Amendment in order to effect a 4 to 1 reverse stock split of the Company's existing common stock.
- The REIT made no acquisitions or dispositions in 2Q 2013.
- The distribution yield of 3.80% is based on a share price of \$10.00.
- The Interest Coverage Ratio declined to 3.0x as of 2Q 2013 compared to 3.6x as of 2Q 2012.
- Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$684.3 million of its variable rate debt as of June 30, 2013.
- The Company does not calculate modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA"). As a result, the figures reported above were estimated by Blue Vault Partners.
- See additional notes on page 99 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Cornerstone Core Properties REIT, Inc.

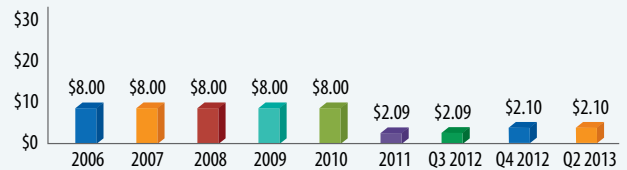
Total Assets.....	\$90.4 Million
Real Estate Assets .....	\$84.5 Million
Cash.....	\$3.7 Million
Securities .....	\$0.0 Million
Other.....	\$2.3 Million



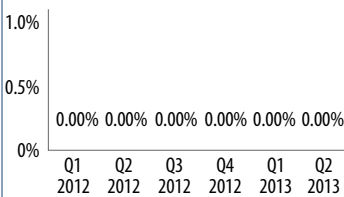
Initial Offering Date: ..... January 6, 2006  
 Offering Close Date: ..... June 10, 2011  
 Current Price per Share: ..... \$2.10  
 Reinvestment Price per Share: ..... See Notes  
 Cumulative Capital Raised during Offering (including DRP)..... \$172.7 Million

Cash to Total Assets Ratio: ..... 4.1%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 12  
 Square Feet / Units / Rooms / Acres: ..... 730,245 Sq. Ft.  
 Percent Leased: ..... 81.3%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 23,028,285

### Historical Price



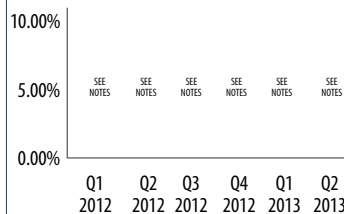
### Redemptions



### Current Distribution

See Notes

### Historical Distribution



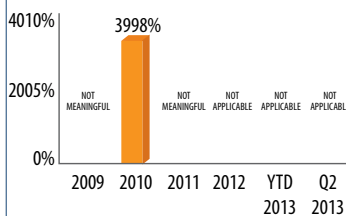
### Contact Information

**www.CREFund.com**  
**Pacific Cornerstone Capital**  
**1920 Main Street, Suite 400**  
**Irvine, CA 92614**  
**877-805-3333**

### Year to Date FFO Payout Ratio

Not Applicable

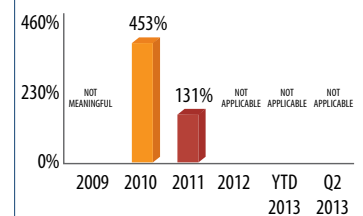
### Historical FFO Payout Ratio



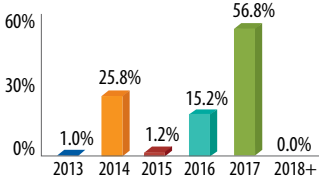
### Year to Date MFFO Payout Ratio

Not Applicable

### Historical MFFO Payout Ratio

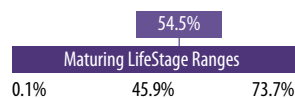


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio:..... 54.5%



### Debt Breakdown



Total: ..... \$49.2 Million  
 Fixed: ..... \$6.3 Million  
 Variable: ..... \$41.4 Million  
 Avg. Wtd. Rate: ..... 3.50% – 5.89%  
 Term: ..... 1 – 4 yrs

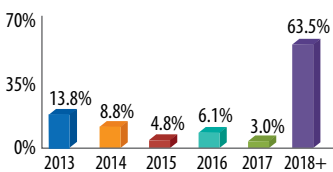
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 0.2



Adjusted EBITDA: ..... \$179,000  
 Interest Expense: ..... \$943,000

### Lease Expirations\*



\*As of 12/31/12

### Trends and Items of Note

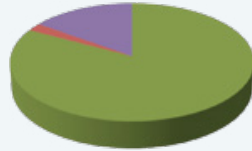
- The Company sold one property during 2Q 2013 for total of \$2.2 million.
- In June 2011, the board of directors decided, based on the financial position of the Company, to suspend the declaration of further cash distributions and deferred payment of the second quarter 2011 distribution. No distributions have been declared or paid for periods subsequent to June 30, 2011.
- For the remainder of 2013, the board of directors has requested that the Advisor raise new property level joint venture equity capital while management continues to evaluate opportunities for repositioning and growth and secures long term debt for recent and future acquisitions.
- The REIT's Interest Coverage Ratio increased to 0.2x as of 2Q 2013 compared to a "Not Meaningful" ratio as of 2Q 2012.
- Because the REIT did not pay distributions during this period, the FFO and MFFO Payout Ratios are not applicable.
- See additional notes on page 99 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Corporate Property Associates 16 – Global, Inc.

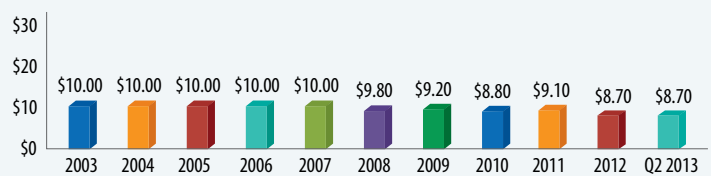
Total Assets .....	\$3,275.0 Million
Real Estate Assets.....	\$2,709.2 Million
Cash .....	\$70.4 Million
Securities.....	\$0.0 Million
Other .....	\$495.4 Million



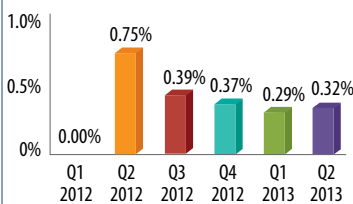
Initial Offering Date: .....	December 1, 2003
Offering Close Date: .....	December 1, 2006
Current Price per Share: .....	\$8.70
Reinvestment Price per Share: .....	\$8.70
Cumulative Capital Raised during Offering (including DRP).....	\$1,103.35 Million

Cash to Total Assets Ratio: .....	2.1%
Asset Type: .....	Diversified
Number of Properties: .....	490
Square Feet / Units / Rooms / Acres: .....	46 Million Sq. Ft.
Percent Leased: .....	97.9%
LifeStage: .....	Maturing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	204,570,324

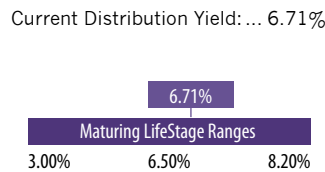
### Historical Price



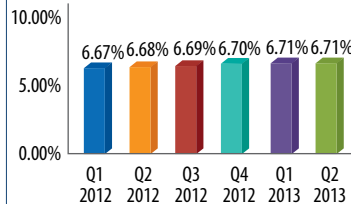
### Redemptions



### Current Distribution



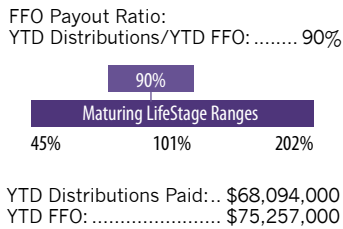
### Historical Distribution



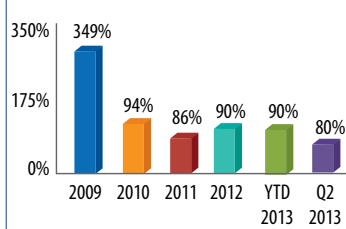
### Contact Information

**www.WPCarey.com**  
**W. P. Carey Inc.**  
**50 Rockefeller Plaza**  
**New York, NY 10020**  
**800-WPCAREY**

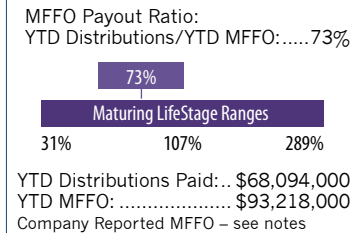
### Year to Date FFO Payout Ratio



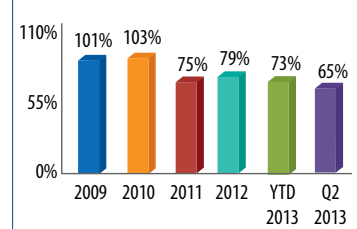
### Historical FFO Payout Ratio



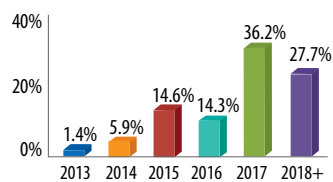
### Year to Date MFFO Payout Ratio



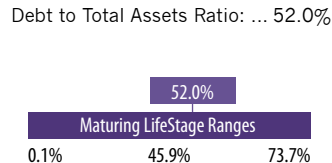
### Historical MFFO Payout Ratio



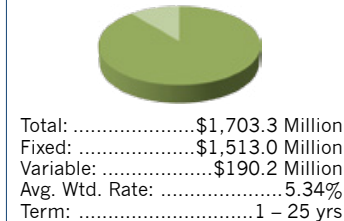
### Debt Repayment Schedule



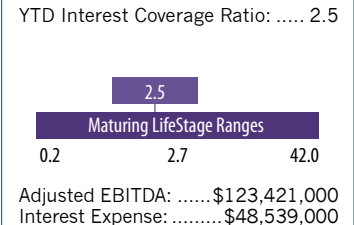
### Current Debt Ratio



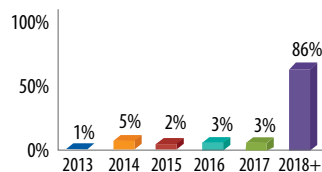
### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations\*



\*As of 12/31/12

### Trends and Items of Note

- The Company announced that its estimated net asset value per share as of December 31, 2012 has been determined to be \$8.70, compared to \$9.10 as of December 31, 2011.
- During 2Q 2013, the Company sold 7 properties for a total of \$3.2 million and purchased one property for \$4.9 million.
- The debt to total assets ratio has remained stable at 52.0% as of 2Q 2013 compared to 52.0% as of 2Q 2012.
- Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$39.9 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 99 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Corporate Property Associates 17 – Global, Inc.

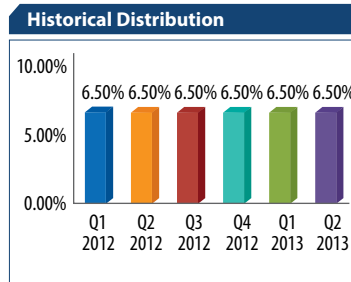
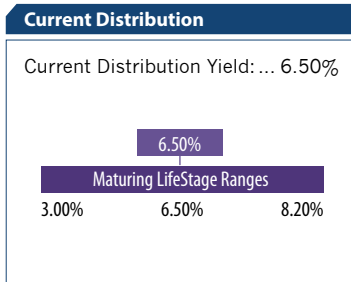
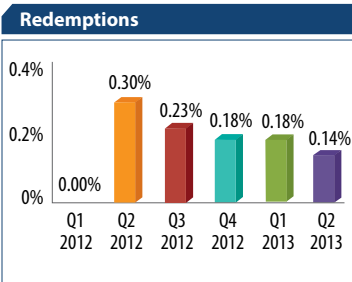
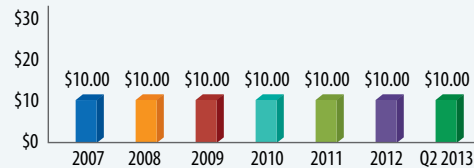
Total Assets.....	\$4,480.1 Million
Real Estate Assets ...	\$3,228.6 Million
Cash.....	\$626.8 Million
Securities .....	\$10.4 Million
Other.....	\$614.3 Million



Initial Offering Date: ..... November 2, 2007  
 Offering Close Date: ..... January 31, 2013  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during Offering (including DRP)..... \$3,099.4 Million

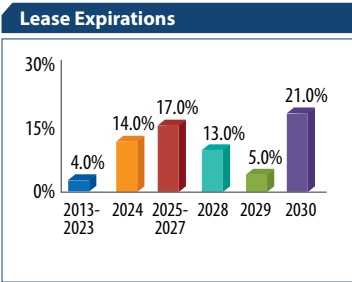
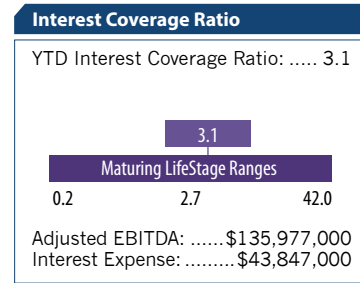
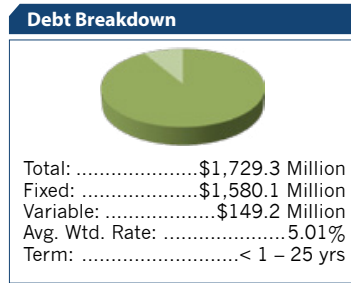
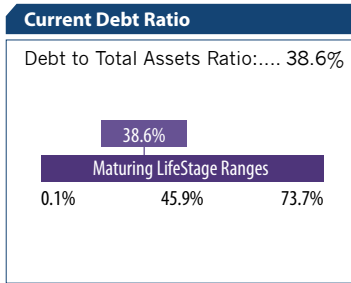
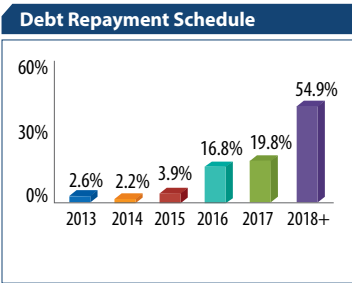
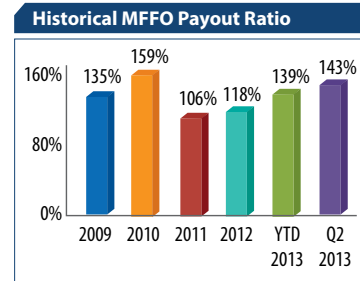
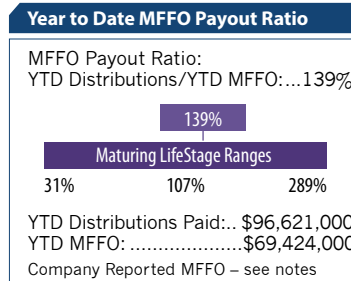
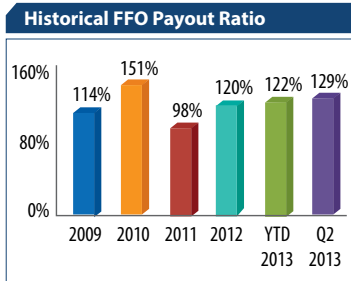
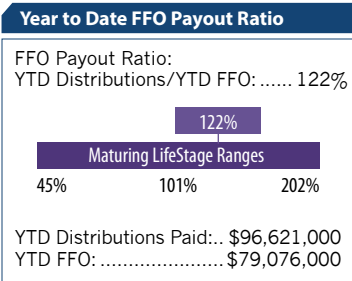
Cash to Total Assets Ratio: ..... 14.0%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 407  
 Square Feet / Units / Rooms / Acres: ..... 37 Million Sq. Ft.  
 Percent Leased: ..... 100%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 311,521,333

### Historical Price



### Contact Information

**www.WPCarey.com**  
**W. P. Carey Inc.**  
**50 Rockefeller Plaza**  
**New York, NY 10020**  
**800-WPCAREY**



- ### Trends and Items of Note
- The Company purchased eight properties during 2Q 2013 for a total of \$113.4 million.
  - The REIT's Cash to Total Assets ratio increased to 14.0% as of 2Q 2013 compared to 12.4% as of 2Q 2012.
  - The REIT's Interest Coverage Ratio remained unchanged at 3.1x as of 2Q 2013 compared to 3.1x as of 1Q 2012.
  - The Company hedged \$419.0 million of its variable rate debt as of June 30, 2013.
  - The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
  - See additional notes on page 99 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Global Income Trust, Inc.

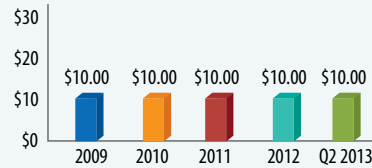
Total Assets.....	\$126.6 Million
Real Estate Assets .....	\$88.6 Million
Cash.....	\$11.6 Million
Securities .....	\$0.0 Million
Other.....	\$26.4 Million



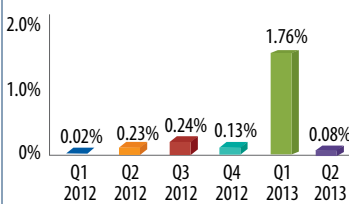
Initial Offering Date: ..... April 23, 2010  
 Offering Close Date: ..... April 23, 2013  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during Offering (including DRP)..... \$83.7 Million

Cash to Total Assets Ratio: ..... 9.2%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 9  
 Square Feet / Units / Rooms / Acres: ..... 1.3 Million Sq. Ft.  
 Percent Leased: ..... 99.8%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 8,173,289

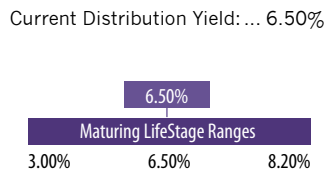
### Historical Price



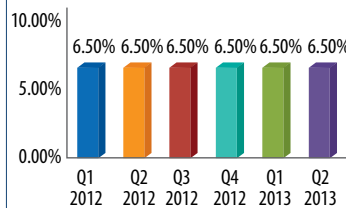
### Redemptions



### Current Distribution



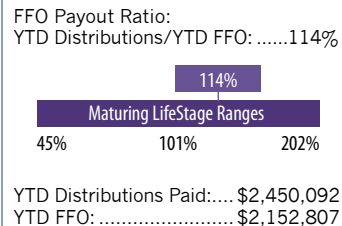
### Historical Distribution



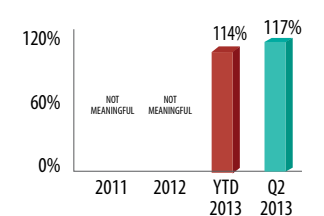
### Contact Information

**www.IncomeTrust.com**  
**CNL Client Services**  
**P.O. Box 4920**  
**Orlando, FL 32802**  
**866-650-0650**

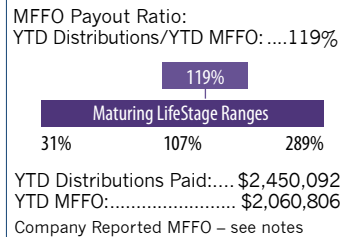
### Year to Date FFO Payout Ratio



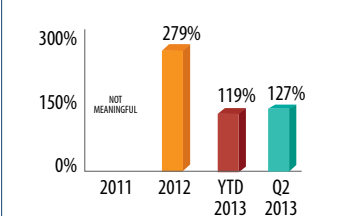
### Historical FFO Payout Ratio



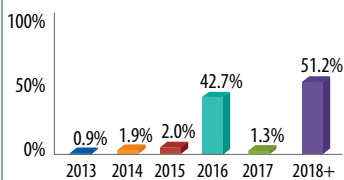
### Year to Date MFFO Payout Ratio



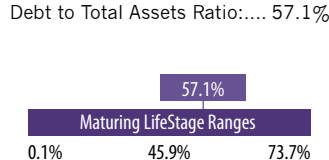
### Historical MFFO Payout Ratio



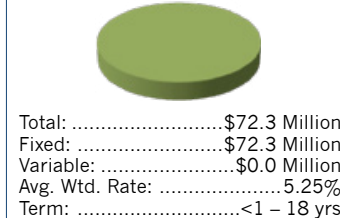
### Debt Repayment Schedule



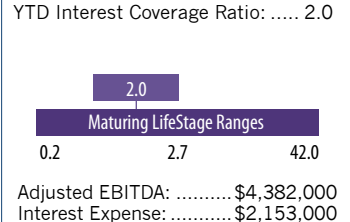
### Current Debt Ratio



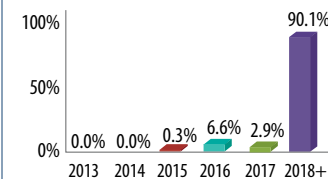
### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations



### Trends and Items of Note

- The Company did not acquire or sell any properties during 2Q 2013.
- As of April 23, 2013, the Offering closed. On April 10, 2013, the board of directors approved the termination of the Company's DRP, effective as of April 26, 2013. As a consequence of the termination of the DRP, beginning with the April 2013 monthly distributions, which were paid in May 2013, stockholders who were previously reinvesting their distributions in shares began receiving cash distributions.
- The Cash to Total Assets ratio decreased to 9.2% as of 2Q 2013 compared to 23.1% as of 2Q 2012.
- The Interest Coverage ratio increased to 2.0x as of 2Q 2013 compared to 1.0x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 99 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Hines Real Estate Investment Trust, Inc.

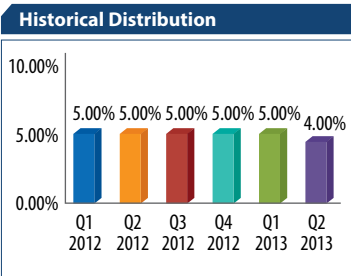
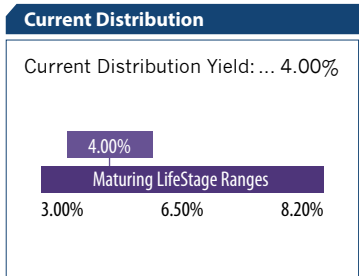
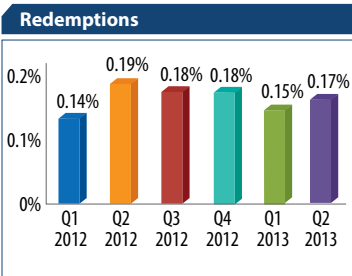
Total Assets.....	\$2,536.1 Million
Real Estate Assets ...	\$2,024.2 Million
Cash.....	\$76.9 Million
Securities .....	\$0.0 Million
Other.....	\$435.0 Million



Initial Offering Date: ..... June 18, 2004  
 Offering Close Date: ..... December 31, 2009  
 Current Price per Share: ..... \$6.75  
 Reinvestment Price per Share: ..... \$6.75  
 Cumulative Capital Raised during Offering (including DRP).....\$2,562.1 Million

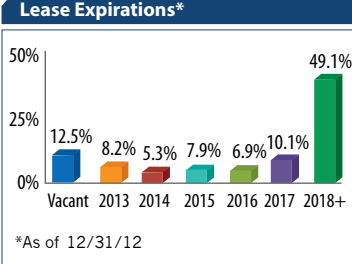
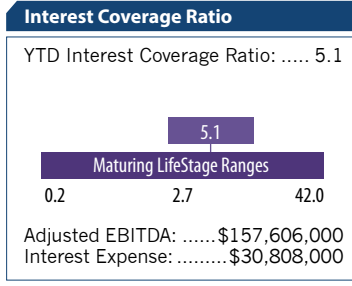
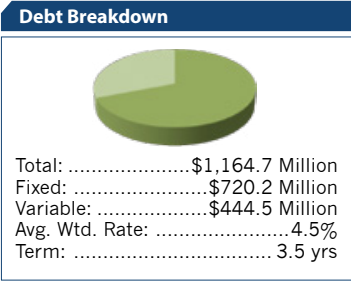
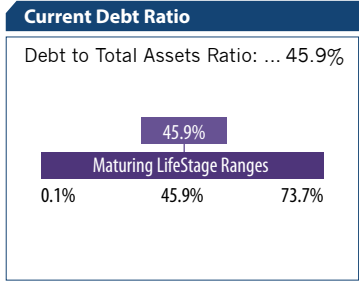
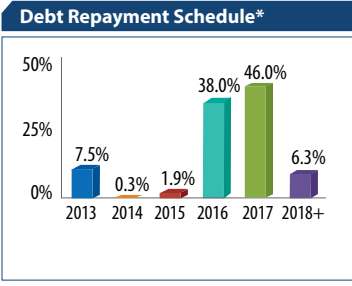
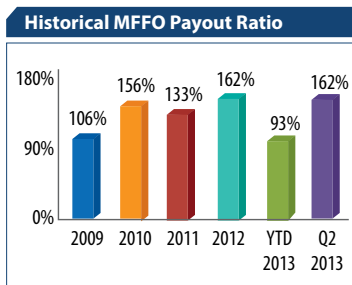
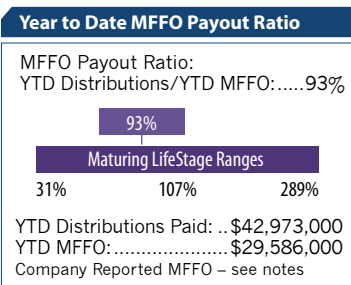
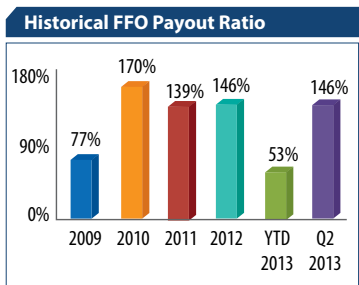
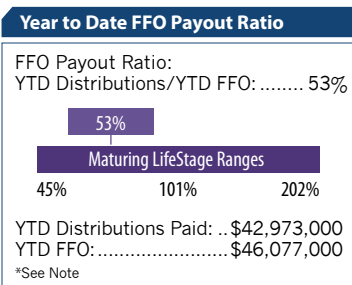
Cash to Total Assets Ratio: ..... 3.0%  
 Asset Type: ..... Office  
 Number of Properties: ..... 45  
 Square Feet / Units / Rooms / Acres: ..... 20.6 Million Sq. Ft.  
 Percent Leased: ..... 85%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 233,947,000

### Historical Price



### Contact Information

[www.HinesSecurities.com](http://www.HinesSecurities.com)  
**Hines REIT**  
 P.O. Box 219010  
 Kansas City, MO 64121-9010  
 888-220-6121



### Trends and Items of Note

- On March 25, 2013, the Company declared a distribution of approximately \$198.0 million, resulting in a distribution to stockholders of \$0.80 per share that was paid during the three months ended June 30, 2013 to all stockholders of record as of April 2, 2013. This distribution was designated by the Company as a special distribution, which was a return of a portion of the stockholders' invested capital and, as such, reduced their remaining investment in the Company. The special distribution represents a portion of the proceeds from the sale of Williams Tower and other strategic asset sales.
- The new estimated per share NAV of \$6.75 resulted from the declaration of the \$0.86 per share of special distributions.
- The Company declared distributions for April 2013 through August 2013 which will be calculated based on stockholders of record each day during this period in an amount equal to \$0.00073973 per share, per day and will be paid on the first day of the month following the fiscal quarter to which they relate in cash, or reinvested in stock for those participating in the Company's dividend reinvestment plan. This rate per share, per day, reflects a reduction from the \$0.00138032 per share, per day rate that was declared previously. This rate per share, per day represents a 4.0% annual distribution rate based on the Company's new estimated per share NAV of \$6.75, assuming such distribution rate is maintained for a twelve-month period.
- The Interest Coverage ratio increased to 5.1x as of 2Q 2013 compared to 1.6x as of 2Q 2012.
- Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$520.0 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 99 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013



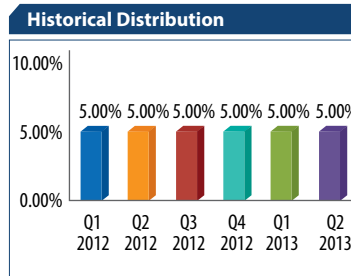
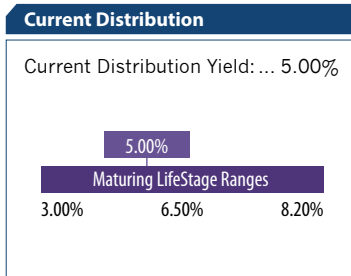
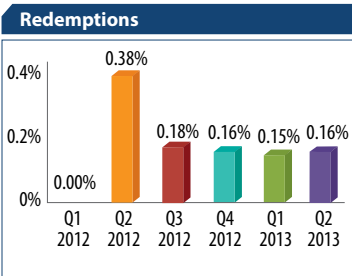
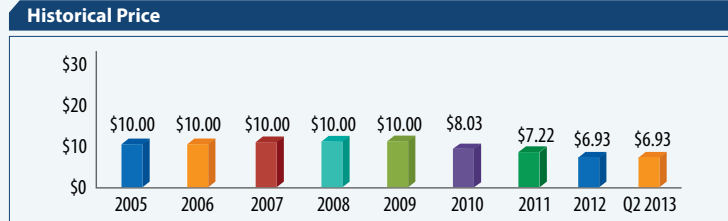
## Inland American Real Estate Trust, Inc.

Total Assets .....	\$9,814.7 Million
Real Estate Assets .....	\$8,623.4 Million
Cash .....	\$295.9 Million
Securities .....	\$305.7 Million
Other .....	\$589.6 Million



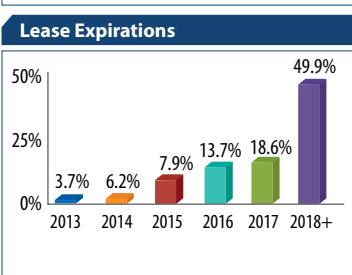
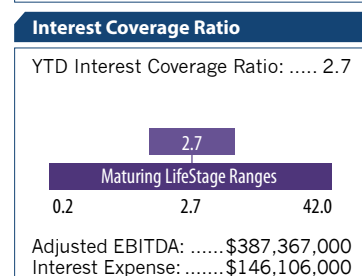
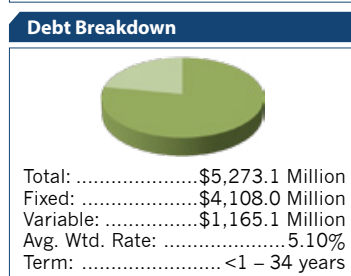
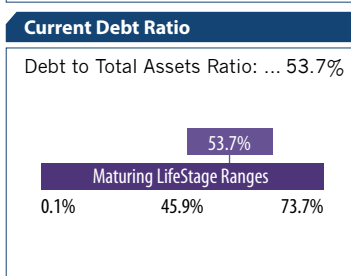
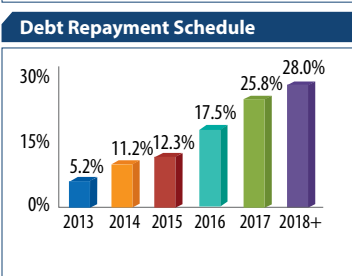
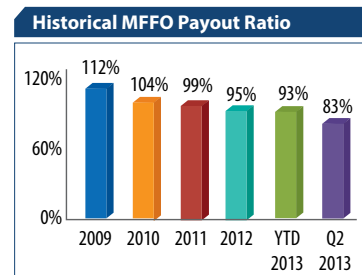
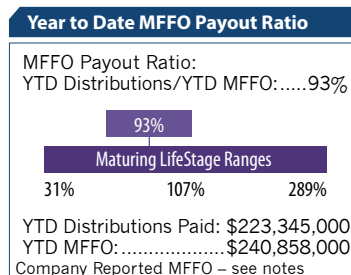
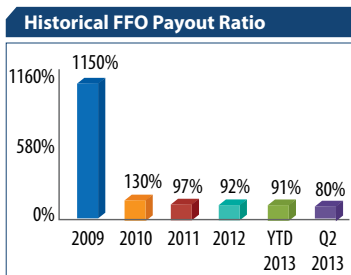
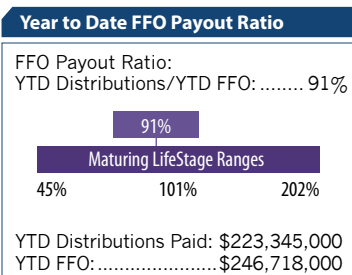
Initial Offering Date: ..... August 31, 2005  
 Offering Close Date: ..... April 6, 2009  
 Current Price per Share: ..... \$6.93  
 Reinvestment Price per Share: ..... \$6.93  
 Cumulative Capital Raised during Offering (including DRP).....\$8,324.98 Million

Cash to Total Assets Ratio: ..... 3.0%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 565  
 Square Feet / Units / Rooms / Acres: ..... 41.1 Million Sq. Ft.;  
 .....16,645 Rooms; 6,521 Units  
 Percent Leased: ..... See Notes  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 897,233,931



### Contact Information

[www.Inland-American.com](http://www.Inland-American.com)  
**Inland American Real Estate Trust Inc.**  
 2901 Butterfield Road  
 Oak Brook, IL 60523  
 800-826-8228



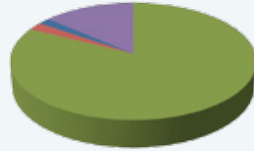
- ### Trends and Items of Note
- The Company acquired two properties during 2Q 2013 for a total of \$114.35 million and sold 185 properties for a total of \$667.7 million.
  - On August 8, 2013, the Company entered into an equity interest purchase agreement with AR Capital, LLC (the "Buyer") to sell its core net lease assets, including 294 properties in an all-cash transaction valued at approximately \$2,300,000, including the assumption of approximately \$795,300 of debt and repayment by the Company of approximately \$360,900 of debt.
  - On April 17 2013, the Company formed a new retail joint venture with PGGM Private Real Estate Fund, a Dutch pension fund service provider. The joint venture will focus on investing in stabilized necessity-based, multi tenant retail shopping centers in Texas and Oklahoma. The Company will have an equity stake of 55%, and PGGM will have an equity stake of 45%. The Company initially contributed 13 retail properties for an implied equity stake of approximately \$97 million and PGGM contributed approximately \$79 million of equity.
  - Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$56.1 million of its variable rate debt as of June 30, 2013.
  - The Company did not report MFFO for the period ending June 30, 2013. The MFFO figures above are Blue Vault Partners estimates.
  - See additional notes on page 100 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Inland Diversified Real Estate Trust, Inc.

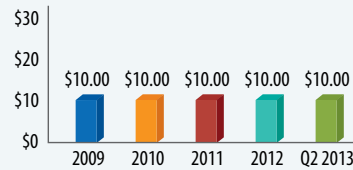
Total Assets.....\$2,348.6 Million  
 Real Estate Assets ...\$1,962.2 Million  
 Cash.....\$34.1 Million  
 Securities .....\$38.5 Million  
 Other.....\$313.8 Million



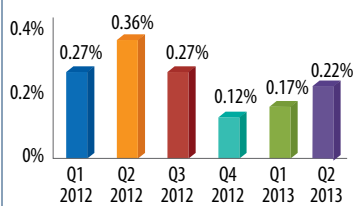
Initial Offering Date: ..... August 24, 2009  
 Offering Close Date: ..... August 23, 2012  
 Current Price per Share: .....\$10.00  
 Reinvestment Price per Share: .....\$9.50  
 Cumulative Capital Raised during Offering (including DRP).....\$1,139.5 Million

Cash to Total Assets Ratio: ..... 1.5%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 142  
 Square Feet / Units / Rooms / Acres: 12.4 Million Sq. Ft. & 444 Units  
 Percent Leased: ..... 95.9%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 116,255,280

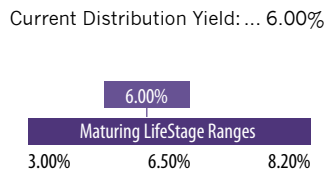
### Historical Price



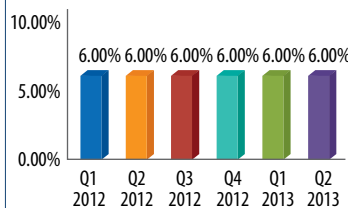
### Redemptions



### Current Distribution



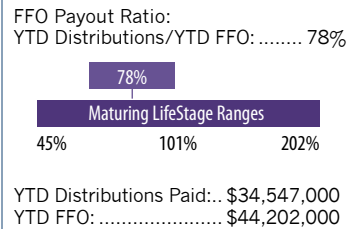
### Historical Distribution



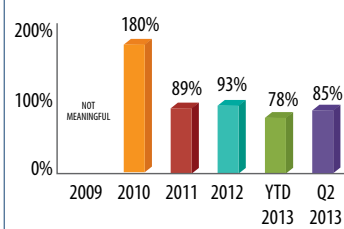
### Contact Information

[www.InlandDiversified.com](http://www.InlandDiversified.com)  
**Inland Securities Corporation**  
 2901 Butterfield Road  
 Oak Brook, Illinois 60523  
 (800) 826-8228

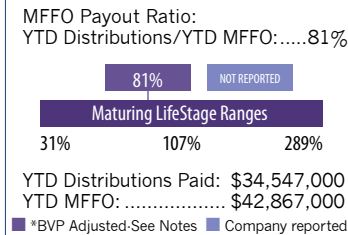
### Year to Date FFO Payout Ratio



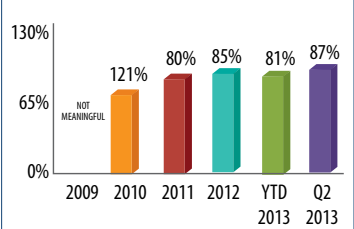
### Historical FFO Payout Ratio



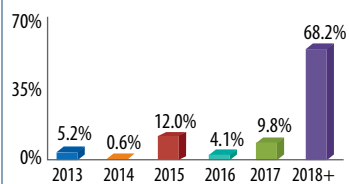
### Year to Date MFFO Payout Ratio



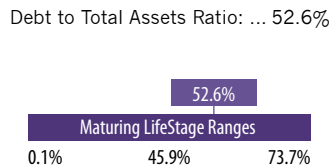
### Historical MFFO Payout Ratio



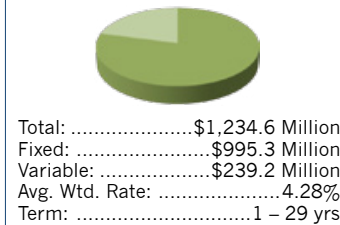
### Debt Repayment Schedule



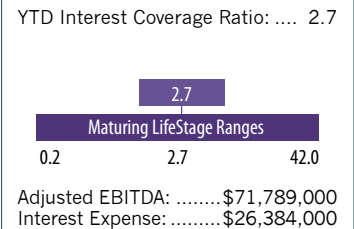
### Current Debt Ratio



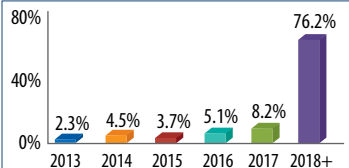
### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations



### Trends and Items of Note

- The Company did not acquire or sell any properties during 2Q 2013.
- The REIT's Interest Coverage ratio remained unchanged at 2.7x as of 2Q 2013 compared to 2.7x as of 2Q 2012.
- Debt to Total Assets ratio increased to 52.6% as of 2Q 2013 compared to 43.7% as of 2Q 2012.
- The Company hedged \$158.1 million of its variable rate debt as of June 30, 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013

## KBS Real Estate Investment Trust, Inc.

Total Assets.....	\$1,944.5 Million
Real Estate Assets .....	\$1,453.1 Million
Cash.....	\$244.6 Million
Securities .....	\$25.6 Million
Other.....	\$221.2 Million



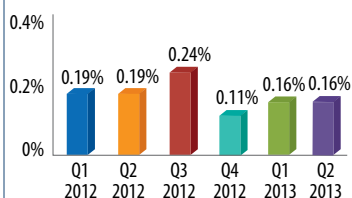
Initial Offering Date: ..... January 13, 2006  
 Offering Close Date: ..... May 30, 2008  
 Current Price per Share: ..... \$5.18  
 Reinvestment Price per Share: ..... Not Applicable  
 Cumulative Capital Raised during Offering (including DRP)..... \$1,734.7 Million

Cash to Total Assets Ratio: ..... 12.6%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 455 Properties, 4 Real Estate Loans;  
 ..... 1 Real Estate Joint Venture  
 Square Feet / Units / Rooms / Acres: ..... 11.5 Million Sq. Ft.  
 Percent Leased: ..... 85%  
 LifeStage..... Maturing  
 Investment Style ..... Core  
 Weighted Average Shares Outstanding: ..... 190,662,152

### Historical Price



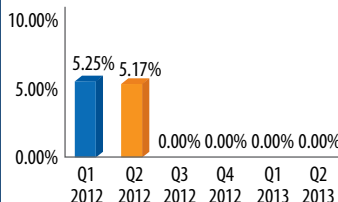
### Redemptions



### Current Distribution

See Notes\*

### Historical Distribution



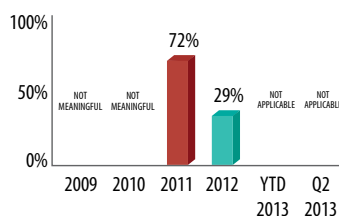
### Contact Information

**www.KBS-CMG.com**  
**KBS Real Estate Investment Trust I**  
**P.O. Box 219015**  
**Kansas City, MO 64121**  
**866-584-1381**

### Year to Date FFO Payout Ratio

Not Applicable

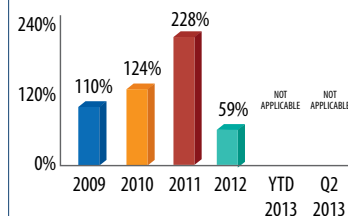
### Historical FFO Payout Ratio



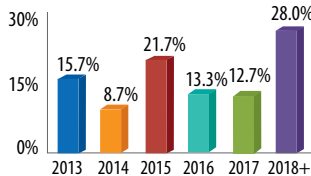
### Year to Date MFFO Payout Ratio

Not Applicable

### Historical MFFO Payout Ratio

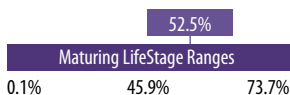


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio:.... 52.5%



### Debt Breakdown

Total: ..... \$1,021.5 Million  
 Fixed: ..... \$828.1 Million  
 Variable: ..... \$193.5 Million  
 Avg. Wtd. Rate: ..... 5.72%  
 Term: ..... <1 – 23 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.4



Adjusted EBITDA: ..... \$44,055,000  
 Interest Expense: ..... \$31,323,000

### Lease Expirations

Weighted average remaining lease term is 5.6 years

### Trends and Items of Note

- On March 20, 2012, the board of directors approved the suspension of monthly distribution payments in order to manage reduced cash flows from operations and to redirect available funds to reduce debt.
- On December 18, 2012, the board of directors approved an estimated value per share of common stock of \$5.18 (unaudited) based on the estimated value of assets less the estimated value of liabilities, or net asset value, divided by the number of shares outstanding, all as of September 30, 2012.
- The Company sold 16 properties for \$20.5 million in 2Q 2013.
- The Cash to Total Assets ratio increased to 12.6% as of 2Q 2013 compared to 2.2% as of 2Q 2012.
- Because the REIT did not pay distributions during this period, the FFO and MFFO Payout Ratios are not applicable.
- See additional notes on page 100 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## KBS Real Estate Investment Trust II, Inc.

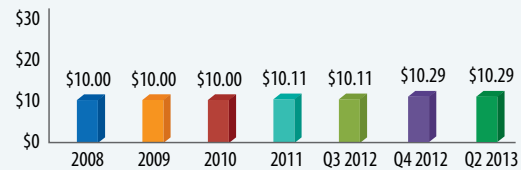
Total Assets.....	\$3,086.1 Million
Real Estate Assets ..	\$2,827.9 Million
Cash.....	\$103.3 Million
Securities .....	\$0.0 Million
Other.....	\$154.9 Million



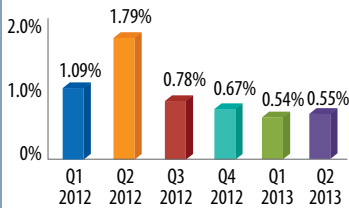
Initial Offering Date: .....April 22, 2008  
 Offering Close Date: ..... December 31, 2010  
 Current Price per Share: .....\$10.29  
 Reinvestment Price per Share: ..... \$9.78  
 Cumulative Capital Raised during Offering (including DRP).....\$1,887.1 Million

Cash to Total Assets Ratio: ..... 3.3%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 28 Properties; 7 Loans (see comment)  
 Square Feet / Units / Rooms / Acres: ..... 11.6 Million Sq. Ft.  
 Percent Leased: ..... 95%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 192,172,909

### Historical Price

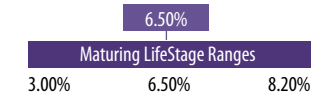


### Redemptions

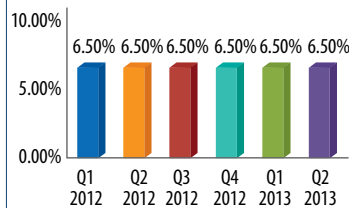


### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution

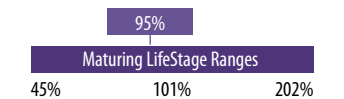


### Contact Information

**www.KBS-CMG.com**  
**KBS Real Estate Investment Trust II**  
**P.O. Box 219015**  
**Kansas City, MO 64121-9015**  
**866-584-1381**

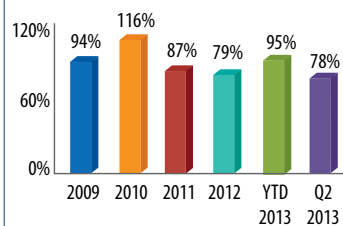
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 95%



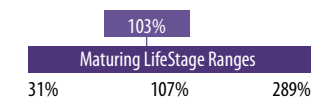
YTD Distributions Paid:.. \$72,395,000  
 YTD FFO: ..... \$75,887,000

### Historical FFO Payout Ratio



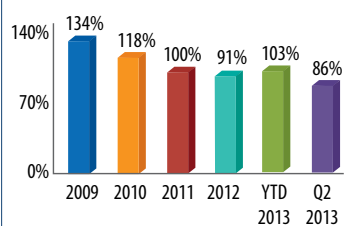
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...103%

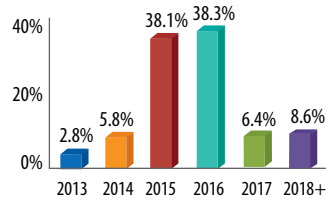


YTD Distributions Paid: ..\$72,395,000  
 YTD MFFO: .....\$70,548,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

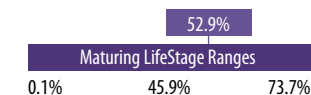


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets ratio ..... 52.9%



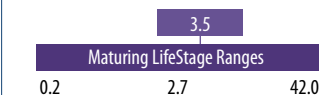
### Debt Breakdown



Total: .....\$1,631.3 Million  
 Fixed: .....\$1,375.3 Million  
 Variable: .....\$256.0 Million  
 Avg. Wtd. Rate: .....3.68%  
 Term: .....<1 – 7 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: .... 3.5



Adjusted EBITDA: .....\$109,798,000  
 Interest Expense: .....\$31,491,000

### Lease Expirations

Weighted average remaining lease term is 5.6 years.

### Trends and Items of Note

- KBS Real Estate Investment Trust II, Inc.
- On December 18, 2012, the board of directors approved an estimated value per share of \$10.29. Commencing January 2, 2013, participants began acquiring shares under the dividend reinvestment plan at \$9.78 per share.
- Distributions for the period from January 1, 2013 through June 30, 2013 were based in part on daily record dates and were calculated at a rate of \$0.00178082 per share per day which is equal to an annualized yield of 6.50%. In addition, on January 16, 2013, the board of directors declared a distribution in the amount of \$0.05416667 per share of common stock to stockholders of record as of the close of business on February 4, 2013.
- The Company did not make any acquisitions or dispositions in 2Q 2013.
- The Debt to Total Assets ratio increased to 52.9% as of 2Q 2013 compared to 47.2% as of 2Q 2012.
- Of the variable rate debt outstanding, approximately \$704.2 million was effectively fixed through the use of interest rate swap agreements.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## KBS Strategic Opportunity REIT, Inc.

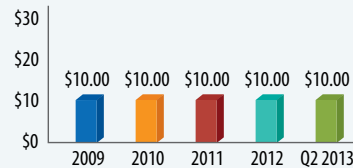
Total Assets.....	\$687.6 Million
Real Estate Assets .....	\$578.9 Million
Cash.....	\$92.7 Million
Securities .....	\$0.0 Million
Other.....	\$15.9 Million



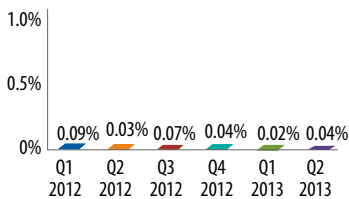
Cash to Total Assets Ratio: ..... 13.5%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 9 office; 2 office portfolios;  
 .. office campus; 1 Industrial; 1 retail; land; 2 CMBS; 3 notes; 1 U/C JV  
 Square Feet / Units / Rooms / Acres: ..... 3.8 Million Sq. Ft.  
 Percent Leased: ..... 64%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Opportunistic  
 Weighted Average Shares Outstanding: ..... 58,338,103

Initial Offering Date: ..... November 20, 2009  
 Offering Close Date: ..... November 14, 2012  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during  
 Offering (including DRP)..... \$574.4 Million

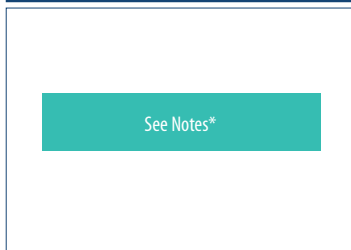
### Historical Price



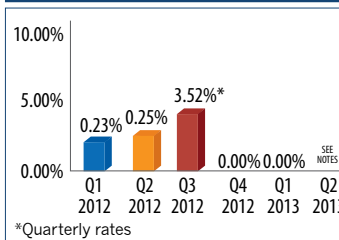
### Redemptions



### Current Distribution



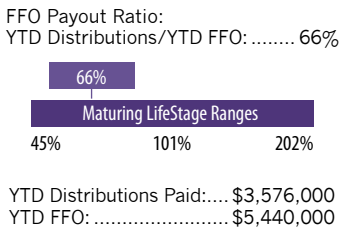
### Historical Distribution



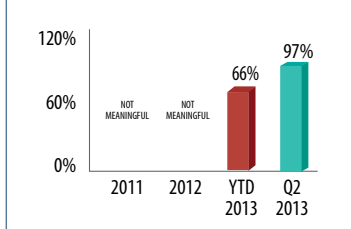
### Contact Information

**www.KBS-CMG.com**  
**KBS Strategic Opportunity REIT, Inc.**  
**620 Newport Center Drive, Suite 1300**  
**Newport Beach, CA 92660**  
**949-417-6500**

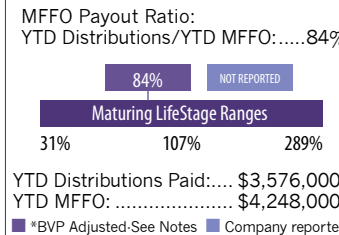
### Year to Date FFO Payout Ratio



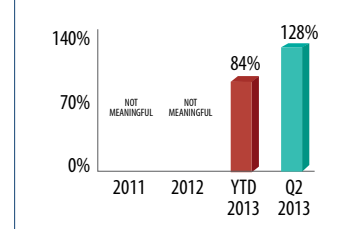
### Historical FFO Payout Ratio



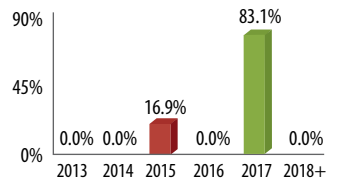
### Year to Date MFFO Payout Ratio



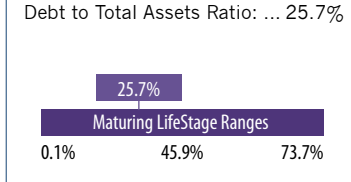
### Historical MFFO Payout Ratio



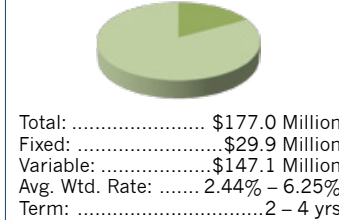
### Debt Repayment Schedule



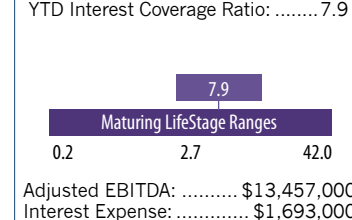
### Current Debt Ratio



### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations



### Trends and Items of Note

- The REIT paid distributions of \$0.062 per share during 2Q 2013. No distributions have been declared for future quarters. This distribution was funded by the gain resulting from a disposition of an office building.
- At this time, the Company does not expect the board of directors to declare distributions on a set monthly or quarterly basis. Rather, it will declare distributions from time to time based on cash flow from its investments, gains on sales of assets, increases in the value of assets after acquisition and its investment and financing activities.
- During 2Q 2013, the Company purchased one office property for \$84.2 million.
- The Cash to Total Assets ratio decreased significantly to 13.5% as of 2Q 2013 compared 41.4% as of 2Q 2012.
- The Interest Coverage ratio increased significantly to 7.9x as of 2Q 2013 compared to 0.6x as of 2Q 2012.
- The Company did not report MFFO for the period ending June 30, 2013. The MFFO figures above are Blue Vault Partners estimates.
- See additional notes on page 100 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



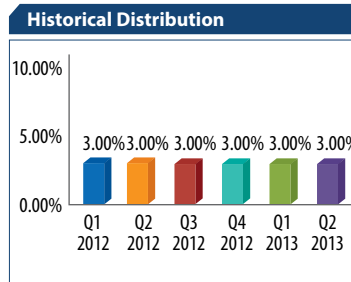
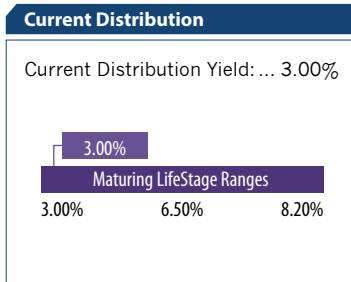
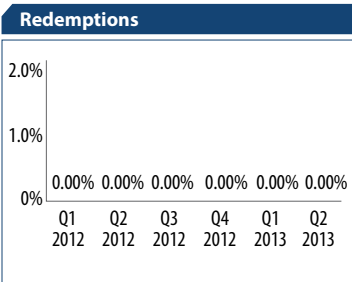
## Landmark Apartment Trust of America, Inc.

Total Assets	\$1,003.8 Million
Real Estate Assets	\$915.9 Million
Cash	\$3.9 Million
Securities	\$0.0 Million
Other	\$84.0 Million

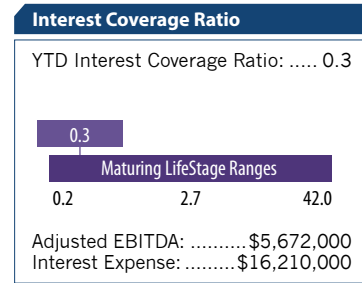
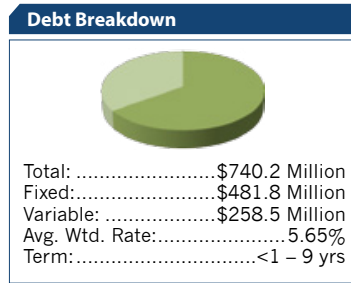
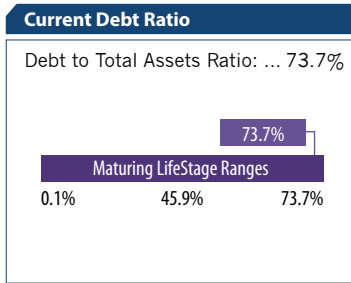
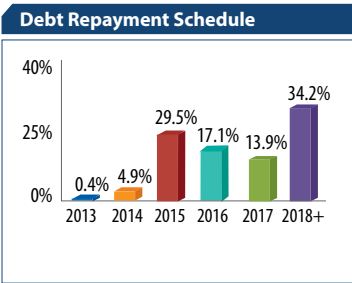
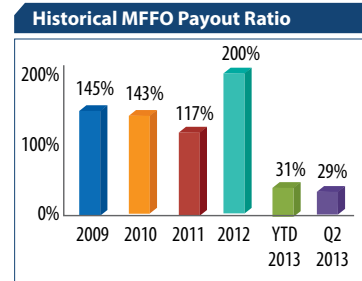
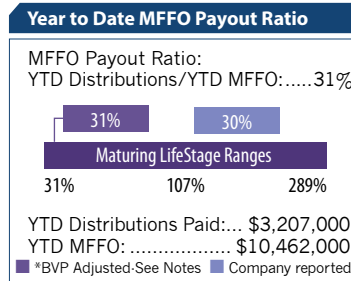
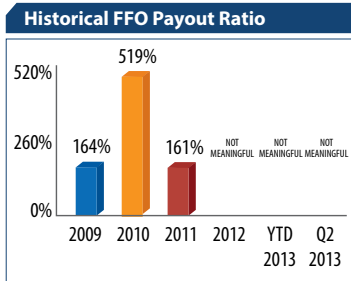
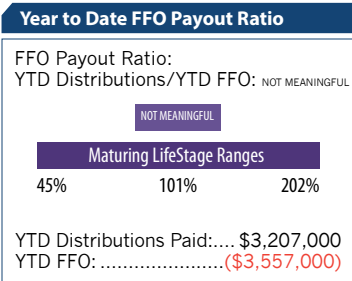


Initial Offering Date: July 19, 2006  
 Offering Close Date: July 17, 2011  
 Current Price per Share: \$8.15  
 Reinvestment Price per Share: \$8.15  
 Cumulative Capital Raised during Offering (including DRP): \$201.16 Million

Cash to Total Assets Ratio: 0.4%  
 Asset Type: Multifamily  
 Number of Properties: 42  
 Square Feet / Units / Rooms / Acres: 11,683 Units  
 Percent Leased: 94.9%  
 LifeStage: Maturing  
 Investment Style: Core  
 Weighted Average Shares Outstanding: 21,755,583



**Contact Information**  
[www.landmarkapartmenttrust.com](http://www.landmarkapartmenttrust.com)  
**Landmark Apartment Trust of America, Inc.**  
 4901 Dickens Road, Suite 101  
 Richmond, VA 23230  
 (804) 237-1335



**Lease Expirations**  
 Most are 12-month lease terms.

**Trends and Items of Note**

- During 2Q 2013, the Company purchased four properties for a total of \$94.1 million, with 1,174 total units. Since June 30, 2013, the Company has purchased 14 properties with 4,541 units.
- The Interest Coverage ratio fell to 0.3x as of 2Q 2013 compared to 1.5x as of 2Q 2012.
- The Company reported YTD MFFO of \$10.8 million which included litigation expenses and incentive compensation - LTIP units. Blue Vault Partners eliminated these expenses to report MFFO of \$10.5 million.
- See additional notes on page 100 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013



## Lightstone Value Plus Real Estate Investment Trust, Inc.

Total Assets.....	\$724.6 Million
Real Estate Assets .....	\$421.0 Million
Cash.....	\$72.5 Million
Securities .....	\$154.4 Million
Other.....	\$76.7 Million



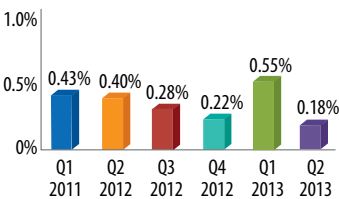
Initial Offering Date: ..... May 23, 2005  
 Offering Close Date: ..... October 10, 2008  
 Current NAV per Share: ..... \$11.80  
 Reinvestment Price per Share: ..... \$11.21  
 Cumulative Capital Raised during Offering (including DRP)..... \$307.0 Million

Cash to Total Assets Ratio: ..... 10.0%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 38  
 Square Feet / Units / Rooms / Acres: ..... 3.3 Million Sq. Ft.  
 ..... 1,585 Units, 1,620 Rooms  
 Percent Leased: ..... See notes  
 LifeStage: ..... Maturing  
 Investment Style ..... Value Add  
 Weighted Average Shares Outstanding: ..... 30,152,000

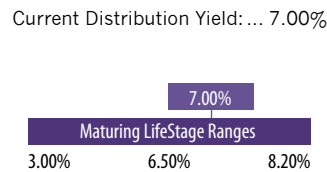
### Historical Price



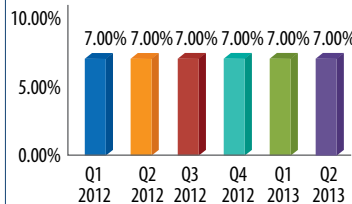
### Redemptions



### Current Distribution



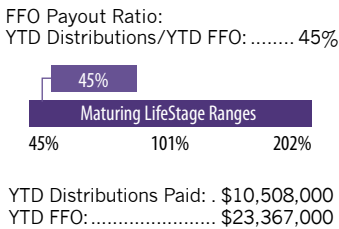
### Historical Distribution



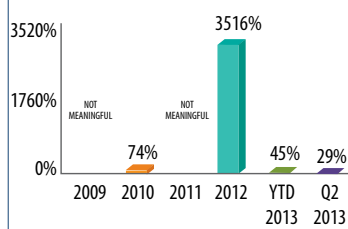
### Contact Information

[www.LightstoneGroup.com](http://www.LightstoneGroup.com)  
**The Lightstone Group**  
 1985 Cedar Bridge Avenue  
 Lakewood, NJ 08701  
 212-616-9969

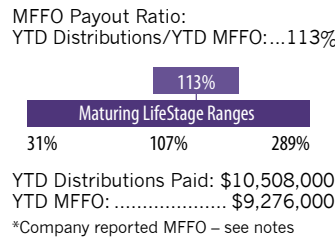
### Year to Date FFO Payout Ratio



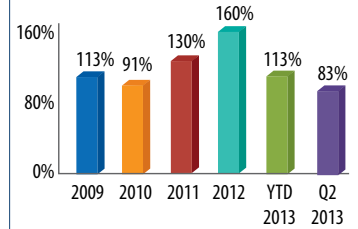
### Historical FFO Payout Ratio



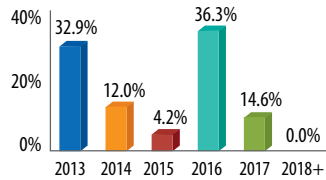
### Year to Date MFFO Payout Ratio



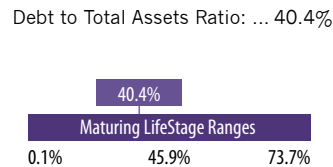
### Historical MFFO Payout Ratio



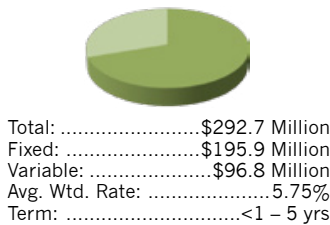
### Debt Repayment Schedule



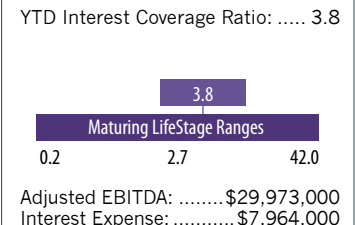
### Current Debt Ratio



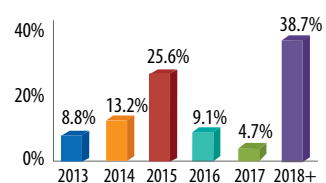
### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations



### Trends and Items of Note

- During the second quarter of 2013, the Company acquired four properties for \$34.4 million, with 442 hotel rooms.
- As of June 30, 2013, the retail properties, the industrial properties, the multi-family residential properties and the office property were 83.8%, 84.5%, 95.5% and 80.6% occupied based on a weighted-average basis, respectively. Its hotel hospitality properties' occupancy was 66.6% vs. 56.7% as of 2Q 2012.
- The Company commenced a tender offer on May 1, 2013, pursuant to which it offered to acquire up to 4.7 million shares of its common stock from the holders of the shares at a purchase price equal to \$10.60 per share. On August 6, 2013, the Company completed the Offer repurchasing 4.7 million shares for approximately \$50 million (\$10.60 per share).
- The Debt to Total Assets ratio declined to 40.4% as of 2Q 2013 compared to 44.3% as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 100 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## NorthStar Real Estate Income Trust, Inc.

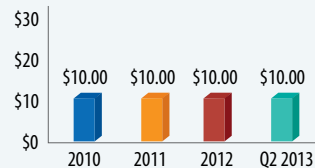
Total Assets..... \$1,523.9 Million  
 RE Debt Investments \$1,044.5 Million  
 Cash ..... \$223.3 Million  
 Securities ..... \$55.3 Million  
 Other ..... \$200.9 Million



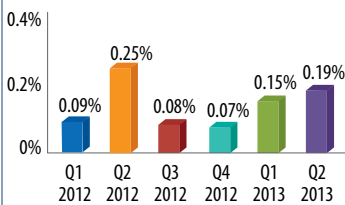
Cash to Total Assets Ratio: ..... 14.6%  
 Asset Type: ..... Debt Investments & Securities  
 Number of Properties: . 26 First Mortgage Loans, 2 Mezzanine Loans,  
 ..... 1 Subord. Mtg. Int., PE Joint Venture, and 8 CMBS  
 Square Feet / Units / Rooms / Acres: ..... Not Applicable  
 Percent Leased: ..... Not Applicable  
 LifeStage: .....  
 Investment Style: ..... Debt  
 Weighted Average Shares Outstanding: ..... 94,726,000

Initial Offering Date: ..... July 19, 2010  
 Offering Close Date: ..... July 1, 2013  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during  
 Offering (including DRP)..... \$1,097.2 Million

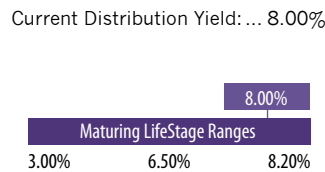
### Historical Price



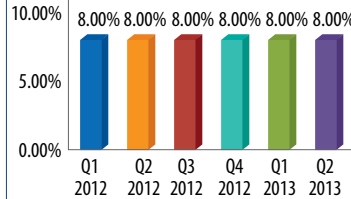
### Redemptions



### Current Distribution



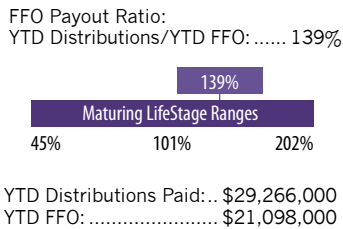
### Historical Distribution



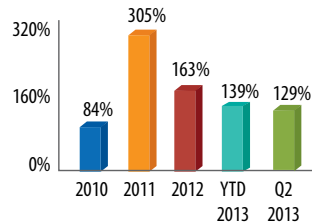
### Contact Information

[www.NorthStarREIT.com](http://www.NorthStarREIT.com)  
**NorthStar Real Estate  
 Income Trust, Inc.**  
 399 Park Avenue, 18th floor  
 New York, NY 10022  
 (212) 547-2600

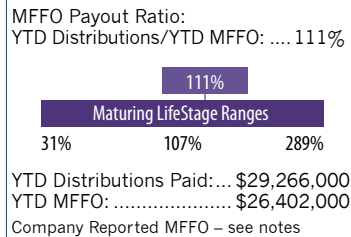
### Year to Date FFO Payout Ratio



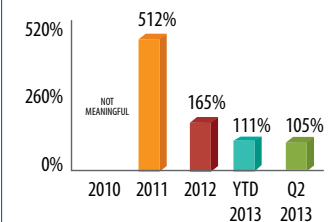
### Historical FFO Payout Ratio



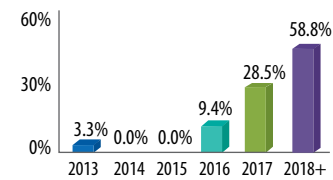
### Year to Date MFFO Payout Ratio



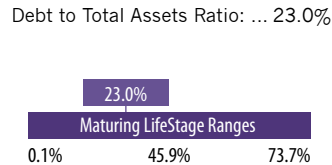
### Historical MFFO Payout Ratio



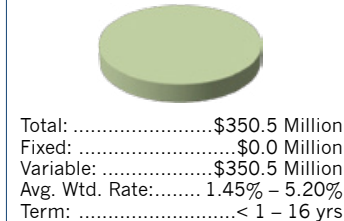
### Debt Repayment Schedule



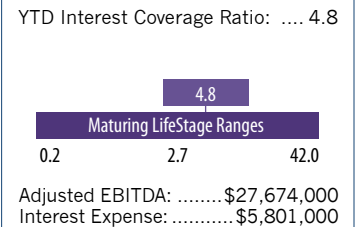
### Current Debt Ratio



### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations

Not Applicable

### Trends and Items of Note

- For the three and six months ended June 30, 2013, the Sponsor was not required to purchase shares in connection with the Distribution Support Agreement.
- On August 27, 2012, the Company closed a commercial mortgage backed securitization (CMBS) transaction collateralized by \$425.2 million of commercial real estate loans and \$106.3 million of cash.
- The REIT's debt to total assets ratio has increased to 23.0% as of 2Q 2013 compared to 17.2% as of 2Q 2012.
- The REIT's Interest Coverage ratio decreased to 4.8x as of 2Q 2013 compared to 9.2x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Paladin Realty Income Properties, Inc.

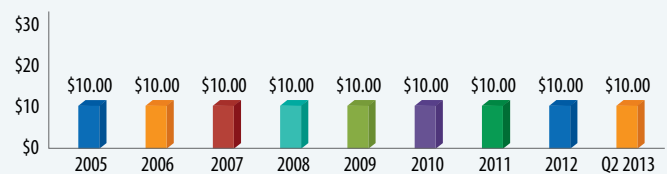
Total Assets.....	\$203.0 Million
Real Estate Assets .....	\$186.3 Million
Cash .....	\$12.5 Million
Securities .....	\$0.0 Million
Other .....	\$4.2 Million



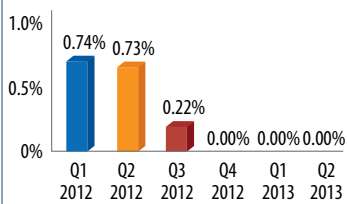
Initial Offering Date: ..... February 25, 2005  
 Offering Close Date: ..... July 16, 2012  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... See Notes  
 Cumulative Capital Raised during Offering (including DRP)..... \$82.6 Million

Cash to Total Assets Ratio: ..... 6.2%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 13  
 Square Feet / Units / Rooms / Acres: 75,518 Sq. Ft. & 2,673 Units  
 Percent Leased: ..... Not Reported  
 LifeStage: ..... Liquidating  
 Investment Style ..... Core  
 Weighted Average Shares Outstanding: ..... 7,720,859

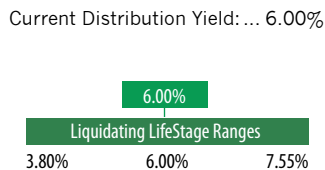
### Historical Price



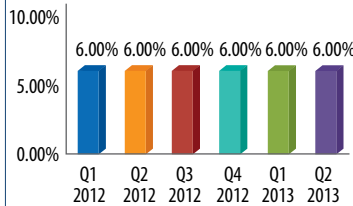
### Redemptions



### Current Distribution



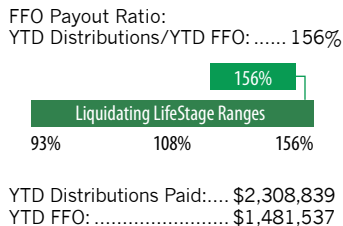
### Historical Distribution



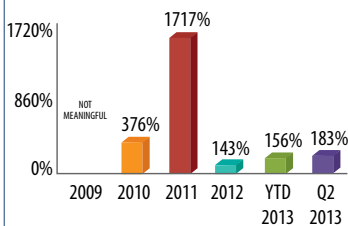
### Contact Information

**www.PaladinREIT.com**  
**Paladin Realty Advisors**  
**10880 Wilshire Boulevard,**  
**Suite 1400**  
**Los Angeles, CA 90024**  
**866-725-7348**

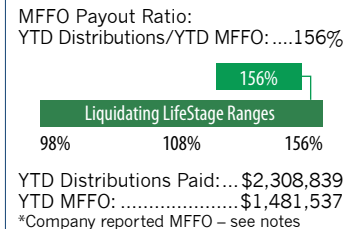
### Year to Date FFO Payout Ratio



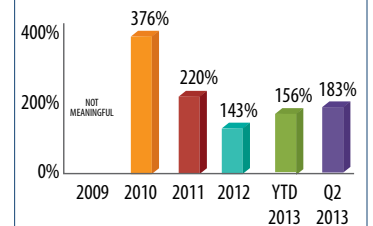
### Historical FFO Payout Ratio



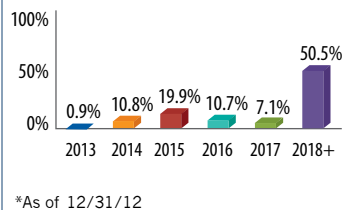
### Year to Date MFFO Payout Ratio



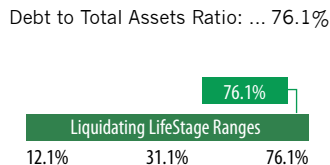
### Historical MFFO Payout Ratio



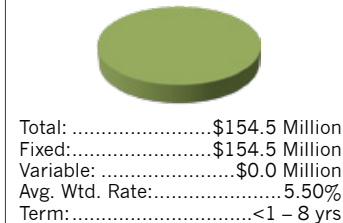
### Debt Repayment Schedule



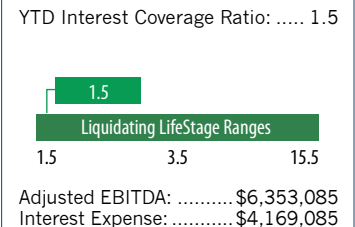
### Current Debt Ratio



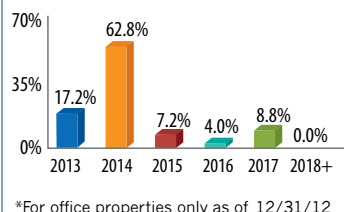
### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations\*



### Trends and Items of Note

- The REIT sold one property during 2Q 2013 for \$26.0 million.
- On July 24, 2013, the Company announced the proposed merger with and into a subsidiary of Resource Real Estate Opportunity REIT, Inc. The Boards of Directors approved the Merger in an all cash transaction that would ultimately result in Resource owning all of Paladin REIT's real estate assets, including the interests in joint ventures that own a total of 11 multifamily communities with more than 2,600 rentable units and two office properties containing more than 75,000 rentable square feet. The Merger, which is expected to close in the fourth quarter of 2013, is subject to the approval of the Paladin REIT shareholders, a due diligence period of up to 30 days, certain third-party consents, loan assumption documents, and customary closing conditions.
- Pursuant to the Merger Agreement, Resource will pay \$52.7 million in cash, excluding certain transaction costs and subject to certain adjustments, including, among others, an increase of \$3.1 million if Beechwood Gardens Apartments is not sold prior to the closing of the Merger.
- There were no redemptions of shares during the quarter ended June 30, 2013 because the share redemption plan was terminated effective July 16, 2012.
- The REIT's Debt to Total Assets ratio increased slightly to 76.1% as of 2Q 2013 compared to 75.8% as of 2Q 2012.
- The Interest Coverage Ratio remained stable to 1.5x as of 2Q 2013 compared to 1.5x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Sentio Healthcare Properties, Inc.

Total Assets.....	\$226.0 Million
Real Estate Assets .....	\$188.5 Million
Cash.....	\$17.0 Million
Securities .....	\$0.0 Million
Other.....	\$20.5 Million



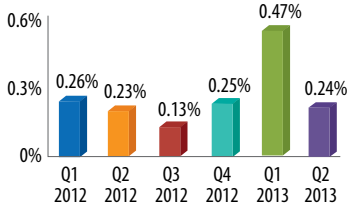
Initial Offering Date: ..... June 20, 2008  
 Offering Close Date: ..... April 29, 2011\*  
 Current Price per Share: ..... \$10.02  
 Reinvestment Price per Share: ..... See Notes  
 Cumulative Capital Raised during Offering (including DRP)..... \$127.0 Million

Cash to Total Assets Ratio: ..... 7.5%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 20  
 Square Feet / Units / Rooms / Acres: ..... 1,112,907 Sq. Ft  
 Percent Leased: ..... 90%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 12,726,051

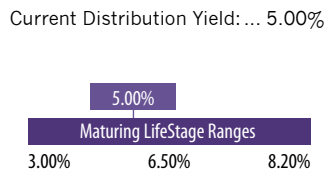
### Historical Price



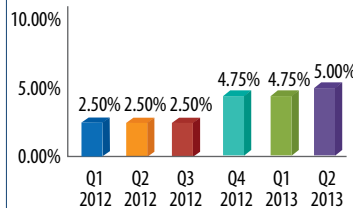
### Redemptions



### Current Distribution



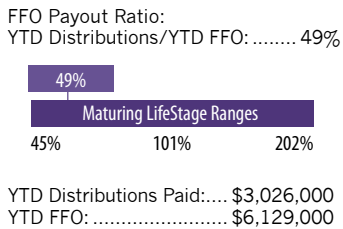
### Historical Distribution



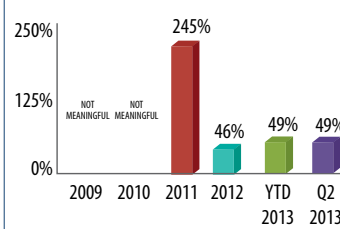
### Contact Information

**www.CRE Funds.com**  
**Pacific Cornerstone Capital**  
**1920 Main Street, Suite 400**  
**Irvine, CA 92614**  
**877-805-3333**

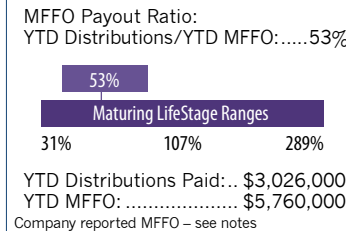
### Year to Date FFO Payout Ratio



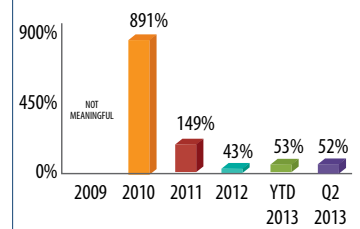
### Historical FFO Payout Ratio



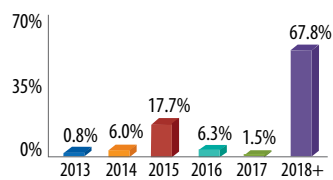
### Year to Date MFFO Payout Ratio



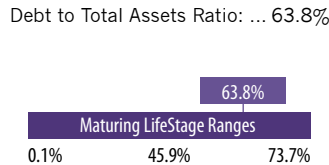
### Historical MFFO Payout Ratio



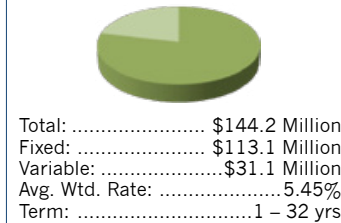
### Debt Repayment Schedule



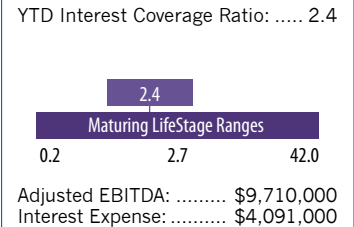
### Current Debt Ratio



### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations

Not Reported

### Trends and Items of Note

- On April 29, 2011, the Company informed its stockholders that the Independent Directors Committee had directed it to suspend the public offering, the dividend reinvestment program and the stock repurchase program (except for repurchases due to death). As a result the stock repurchase program has been suspended since May 29, 2011 for all repurchases, except repurchases due to death of a stockholder.
- The Company on June 12 filed a post-effective amendment to deregister unsold shares of its common stock in its best-efforts offering.
- On June 19, 2013, the Company filed a registration statement on Form S-3 to register up to \$99,000,000 of shares of common stock to be offered to existing stockholders pursuant to an amended and restated distribution reinvestment plan (the "DRIP offering"). The DRIP offering shares will initially be offered at a purchase price of \$10.02, which is 100% of the current estimated per-share value of the common stock. As of June 30, 2013 no shares have been sold pursuant to DRIP offering.
- The REIT did not acquire or dispose of any properties during 2Q 2013. On August 8, 2013, the Company sold a rehabilitation facility in Littleton, CO, for \$11.3 million.
- The REIT's Interest Coverage ratio increased to 2.4x as of 2Q 2013 compared to 2.1x as of 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## TIER REIT, Inc.

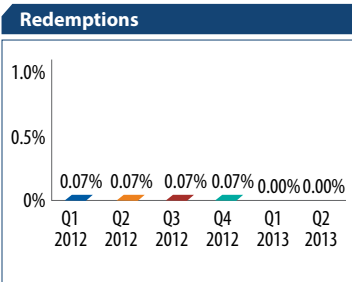
Total Assets.....	\$2,912.7 Million
Real Estate Assets ...	\$2,493.7 Million
Cash.....	\$36.2 Million
Securities .....	\$0.0 Million
Other.....	\$382.9 Million



Cash to Total Assets Ratio: ..... 1.2%  
 Asset Type: ..... Office  
 Number of Properties: ..... 44  
 Square Feet / Units / Rooms / Acres: ..... 19.1 Million Sq. Ft.  
 Percent Leased: ..... 87%  
 LifeStage: ..... Liquidating  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 299,191,861

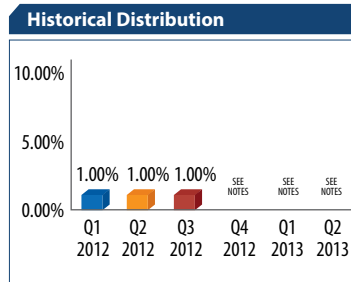
Initial Offering Date: ..... February 19, 2003  
 Offering Close Date: ..... December 31, 2008  
 Current Price per Share: ..... \$4.01  
 Reinvestment Price per Share: ..... See Notes  
 Cumulative Capital Raised during Offering (including DRP): ..... \$2,800.0 Million

### Historical Price



### Current Distribution

See Notes\*

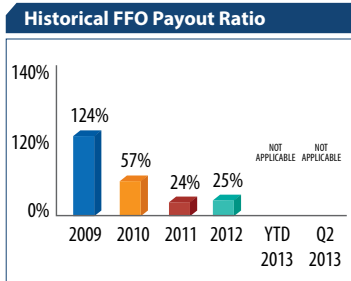


### Contact Information

[www.BehringerHarvard.com/reit1](http://www.BehringerHarvard.com/reit1)  
**Behringer Harvard REIT I, Inc.**  
 17300 Dallas Parkway  
 Suite 1010  
 Dallas, TX 75248  
 972-931-4300

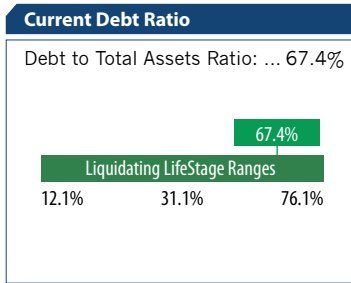
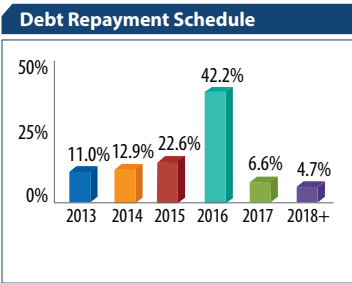
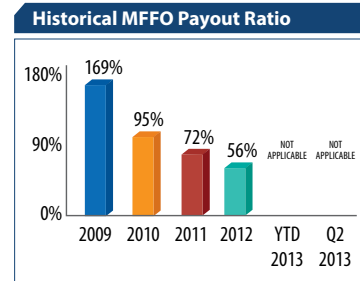
### Year to Date FFO Payout Ratio

Not Applicable



### Year to Date MFFO Payout Ratio

Not Applicable



### Debt Breakdown

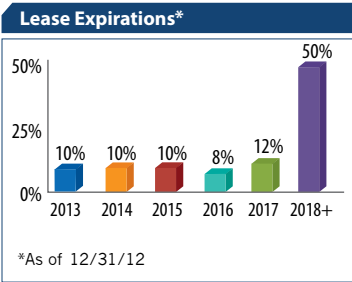
Total: ..... \$1,963.0 Million  
 Fixed: ..... \$1,913.0 Million  
 Variable: ..... \$50.0 Million  
 Avg. Wtd. Rate: ..... 5.70%  
 Term: ..... <1 - 9 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.0

LifeStage Range	1.5	3.5	15.5
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Adjusted EBITDA: ..... \$116,261,000  
 Interest Expense: ..... \$58,530,000



- ### Trends and Items of Note
- In June 2013, the Company changed its name from Behringer Harvard REIT I, Inc. to TIER REIT, Inc.
  - The REIT sold one property during 2Q 2013 for a total of \$24.3 million.
  - In December 2012, the board of directors made a determination to suspend all distributions and redemptions until further notice. Based on the most recent distribution rate and previously budgeted redemptions for 2012, this has generated cash savings of approximately \$10.8 million for the six months ended June 30, 2013, and is expected to result in annual cash savings in excess of \$20.0 million.
  - The Interest Coverage ratio increased to 2.0x as of 2Q 2013 compared to 1.5x as of 2Q 2012.
  - Approximately \$150.0 million of this REIT's variable rate debt has been effectively fixed or capped through the use of interest rate hedges.
  - The FFO and MFO payout ratios are not applicable because the Company did not pay any distributions during the quarter.
  - See additional notes on page 101 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## TNP Strategic Retail Trust, Inc.

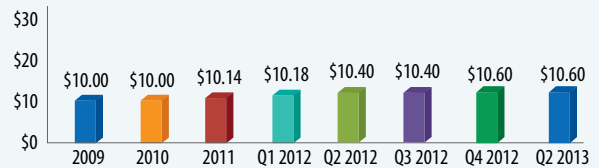
Total Assets.....	\$269.5 Million
Real Estate Assets .....	\$223.2 Million
Cash .....	\$0.5 Million
Securities .....	\$0.0 Million
Other .....	\$45.8 Million



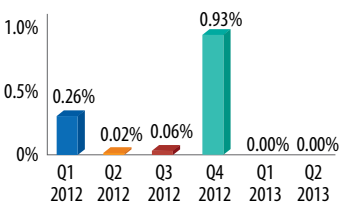
Initial Offering Date: ..... August 7, 2009  
 Offering Close Date: ..... February 7, 2013  
 Current Price per Share: ..... \$10.60  
 Reinvestment Price per Share: ..... Not Applicable  
 Cumulative Capital Raised during Offering (including DRP)..... \$108.36 Million

Cash to Total Assets Ratio: ..... 0.2%  
 Asset Type: ..... Retail  
 Number of Properties: ..... 20  
 Square Feet / Units / Rooms / Acres: ..... 2,037,000 Sq. Ft.  
 Percent Leased: ..... 86%  
 LifeStage: ..... Maturing  
 Investment Style: ..... Value Add  
 Weighted Average Shares Outstanding: ..... 11,366,885

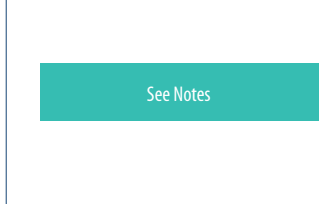
### Historical Price



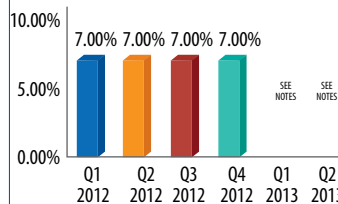
### Redemptions



### Current Distribution



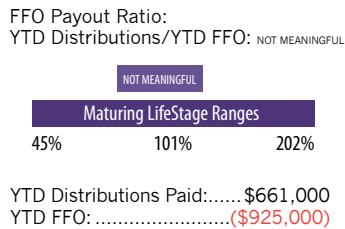
### Historical Distribution



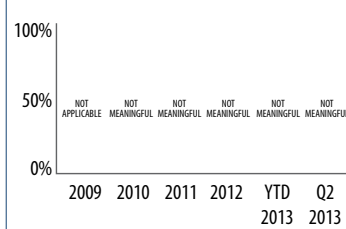
### Contact Information

[www.srtreit.com](http://www.srtreit.com)  
**Strategic Retail Trust, Inc.**  
 c/o Glenborough, LLC  
 400 South El Camino Real,  
 Suite 1100  
 San Mateo, CA 94402  
 (650) 343-9300

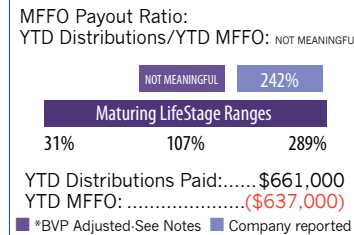
### Year to Date FFO Payout Ratio



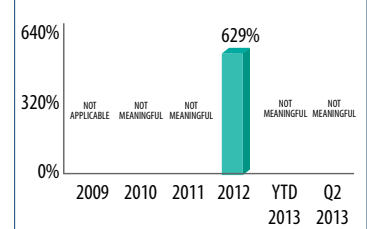
### Historical FFO Payout Ratio



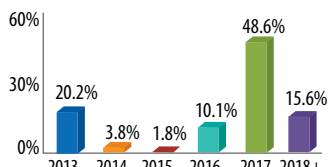
### Year to Date MFFO Payout Ratio



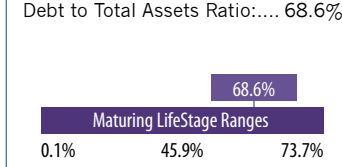
### Historical MFFO Payout Ratio



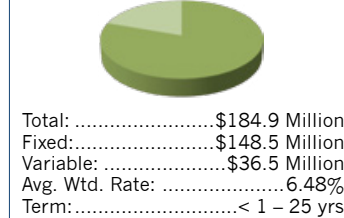
### Debt Repayment Schedule



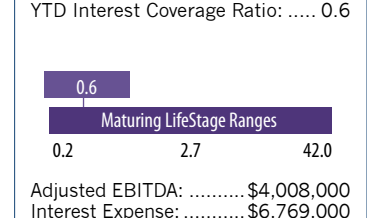
### Current Debt Ratio



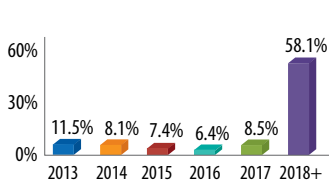
### Debt Breakdown



### Interest Coverage Ratio



### Lease Expirations\*



\*As of 12/31/12

### Trends and Items of Note

- On August 22, 2013, the Company changed its name to Strategic Realty Trust, Inc.
- Effective January 15, 2013, the Company announced that it will no longer be making monthly distributions.
- On February 7, 2013, the Company terminated the Offering and ceased offering shares of common stock in the primary offering and under the DRIP.
- Due to short-term liquidity issues and defaults under certain loan agreements the Company has suspended the share redemption program, including redemptions upon death and disability, indefinitely.
- On August 7, 2013, the Company allowed its existing advisory agreement with the Company's prior advisor, TNP Strategic Retail Advisor, LLC, to expire without renewal. On August 10, 2013, the Company entered into a new advisory agreement with SRT Advisor, LLC which will manage the Company's business as the Company's external advisor pursuant to the Advisory Agreement. SRT Advisor is an affiliate of Glenborough, LLC, a privately held full-service real estate investment and management company focused on the acquisition, management and leasing of high quality commercial properties.
- The Interest Coverage ratio fell to 0.6x for 2Q 2013 compared to 1.0x for 2Q 2012.
- The Company reported both MFFO as defined by the IPA as well as AFFO, or Adjusted Funds from Operations. Both have been presented above for comparison purposes.
- See additional notes on page 101 for information regarding the source of distributions.



# Nontraded REIT Industry Review: Second Quarter 2013



## United Development Funding IV

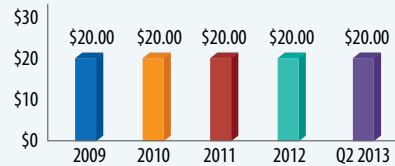
Total Assets.....	\$557.8 Million
Real Estate Assets .....	\$382.7 Million
Cash.....	\$155.9 Million
Securities .....	\$0.0 Million
Other.....	\$19.3 Million



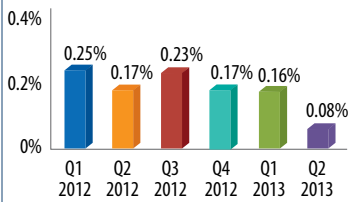
Cash to Total Assets Ratio: ..... 27.9%  
 Asset Type: ..... Mortgage Loans  
 Number of Properties: ..... 17 Related Party Notes  
 ..... And Participation Agreements; 72 Loans W/ Third Parties  
 Square Feet / Units / Rooms / Acres: ..... Not Applicable  
 Percent Leased: ..... Not Applicable  
 LifeStage: ..... Maturing  
 Investment Style: ..... Debt  
 Weighted Average Shares Outstanding: ..... 26,517,797

Initial Offering Date: ..... November 12, 2009  
 Offering Close Date: ..... May 13, 2013  
 Current Price per Share: ..... \$20.00  
 Reinvestment Price per Share: ..... \$20.00  
 Cumulative Capital Raised during  
 Offering (including DRP)..... \$632.0 Million

### Historical Price

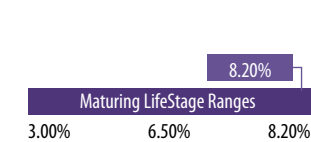


### Redemptions

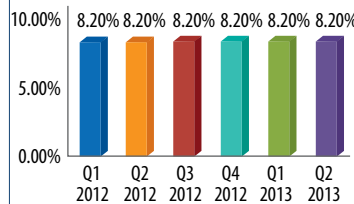


### Current Distribution

Current Distribution Yield: ... 8.20%



### Historical Distribution

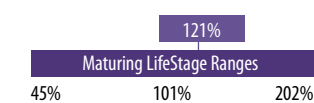


### Contact Information

[www.umth.com](http://www.umth.com)  
**United Development  
 Funding IV Investor Services**  
**The United Development  
 Funding Building, Suite 100**  
**1301 Municipal Way**  
**Grapevine, Texas 76051**  
**(214) 370-8960**

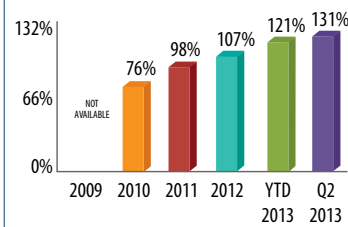
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 121%



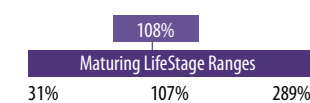
YTD Distributions Paid: \$18,718,796  
 YTD FFO: \$15,426,000

### Historical FFO Payout Ratio



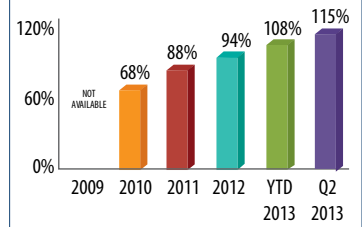
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 108%

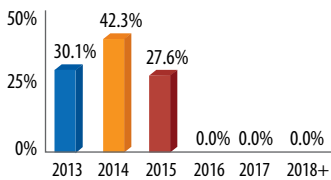


YTD Distributions Paid: \$18,718,796  
 YTD MFFO: \$17,387,000  
 Company Reported MFFO – see notes

### Historical MFFO Payout Ratio

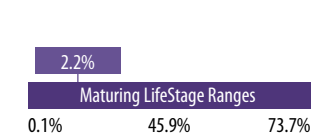


### Debt Repayment Schedule



### Current Debt Ratio

Debt to Total Assets Ratio: ..... 2.2%

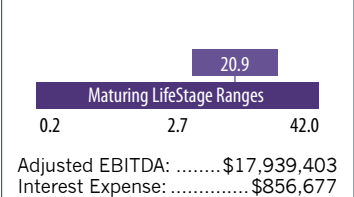


### Debt Breakdown

Total: ..... \$12.3 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$12.3 Million  
 Avg. Wtd. Rate: ..... 5.15%  
 Term: ..... < 1 – 3 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ... 20.9



### Lease Expirations

Not Applicable

### Trends and Items of Note

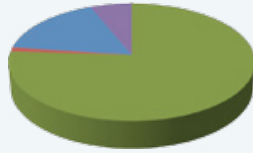
- On March 6, 2013, the board of trustees authorized a special distribution to shareholders of record as of April 15, 2013 equal to \$0.05 per common share of beneficial interest. This special distribution was paid on May 17, 2013.
- On April 19, 2013, the Company registered 7,500,000 additional common shares of beneficial interest to be offered pursuant to the DRIP in a Registration Statement for \$20 per share. The Company stopped offering common shares of beneficial interest under the DRIP portion of the Offering upon the termination of the Offering (May 13, 2013) and began to offer common shares of beneficial interest to shareholders pursuant to the Secondary DRIP.
- As of June 30, 2013, the REIT had \$355 million in notes receivable with terms ranging from 2 to 48 months bearing interest rates from 11% to 15%.
- The REIT's Interest Coverage ratio increased for the seventh quarter in a row to 20.9x compared to 11.1 for 2Q 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 101 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Wells Core Office Income REIT, Inc.

Total Assets.....	\$687.5 Million
Real Estate Assets .....	\$522.4 Million
Cash.....	\$7.8 Million
Securities .....	\$115.0 Million
Other.....	\$42.3 Million



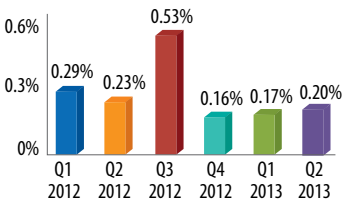
Initial Offering Date: ..... June 10, 2010  
 Offering Close Date: ..... June 10, 2013  
 Current Price per Share: ..... \$25.00  
 Reinvestment Price per Share: ..... \$23.75  
 Cumulative Capital Raised during Offering (including DRP)..... \$516.5 Million

Cash to Total Assets Ratio: ..... 1.1%  
 Asset Type: ..... Office  
 Number of Properties:..... 13  
 Square Feet / Units / Rooms / Acres:..... 2.624 Million Sq. Ft.  
 Percent Leased: ..... 99%  
 LifeStage:..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 19,859,741

### Historical Price

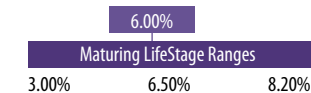


### Redemptions

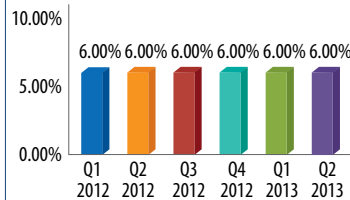


### Current Distribution

Current Distribution Yield: ... 6.00%



### Historical Distribution

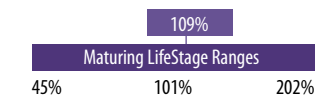


### Contact Information

[www.WellsCoreREIT.com](http://www.WellsCoreREIT.com)  
**Wells Real Estate Funds**  
**P.O. Box 926040**  
**Norcross, GA 30010**  
**800-557-4830**

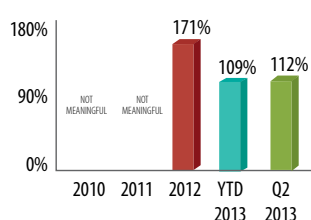
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 109%



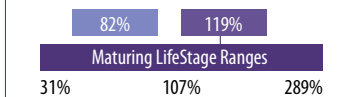
YTD Distributions Paid:.. \$14,085,862  
 YTD FFO: ..... \$12,893,172

### Historical FFO Payout Ratio



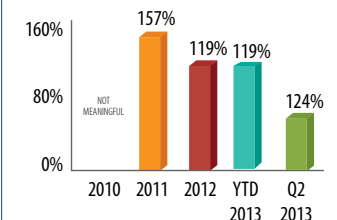
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...119%

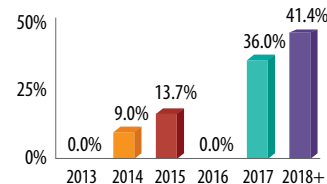


YTD Distributions Paid:.. \$14,085,862  
 YTD MFFO: ..... \$11,847,526  
 \*BVP Adjusted-See Notes    Company reported

### Historical MFFO Payout Ratio

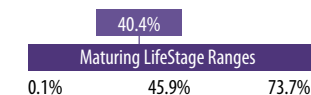


### Debt Repayment Schedule

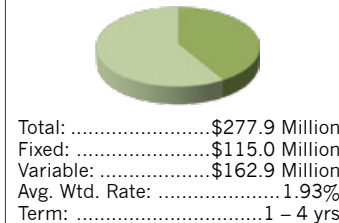


### Current Debt Ratio

Debt to Total Assets Ratio: ... 40.4%

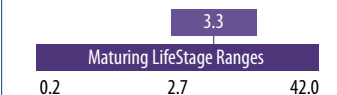


### Debt Breakdown

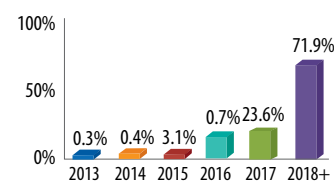


### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.3



### Lease Expirations\*



\*As of 12/31/12

### Trends and Items of Note

- The Company on June 12 filed a post-effective amendment to its registration statement, terminating its primary offering of common stock and deregistering 180,295,315 shares not sold under the offering.
- The Company did not acquire any properties during the first six months of 2013.
- The REIT's Debt to Total Asset ratio increased to 40.4% as of 2Q 2013 compared to 29.1% as of 2Q 2012.
- The Interest Coverage ratio decreased to 3.3x as of 2Q 2013 compared to 4.5x as of 2Q 2012.
- The Company reported both MFFO as defined by the IPA as well as AFFO, or Adjusted Funds from Operations. Both have been presented above for comparison purposes.
- See additional notes on page 101 for information regarding the source of distributions.

# Nontraded REIT Industry Review: Second Quarter 2013



## Wells Timberland REIT, Inc.

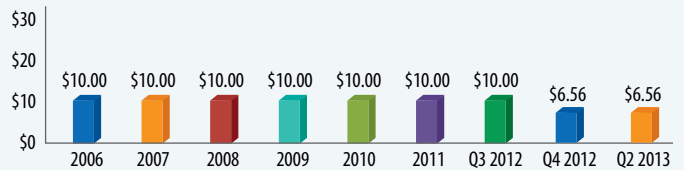
Total Assets.....	\$347.2 Million
Real Estate Assets .....	\$328.9 Million
Cash.....	\$13.4 Million
Securities .....	\$0.0 Million
Other.....	\$5.0 Million



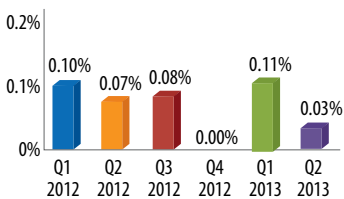
Initial Offering Date: ..... August 11, 2006  
 Offering Close Date: ..... December 31, 2011  
 Current Price per Share: ..... \$6.56  
 Reinvestment Price per Share: ..... Not Meaningful  
 Cumulative Capital Raised during Offering (including DRP)..... \$307.2 Million

Cash to Total Assets Ratio: ..... 3.8%  
 Asset Type: ..... Timberland  
 Number of Properties: ..... 1  
 Square Feet / Units / Rooms / Acres: ..... 282,000 Acres  
 Percent Leased: ..... Not Applicable  
 LifeStage: ..... Maturing  
 Investment Style: ..... Value Add  
 Weighted Average Shares Outstanding: ..... 31,757,432

### Historical Price



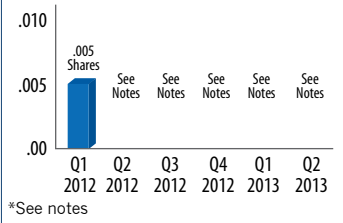
### Redemptions



### Current Distribution

See Notes\*

### Historical Distribution



### Contact Information

[www.WellsTimberland.com](http://www.WellsTimberland.com)  
**Wells Timberland REIT, Inc.**  
**P.O. Box 926040**  
**Norcross, GA 30010-6040**  
**800-557-4830**

### Year to Date FFO Payout Ratio

Not Applicable

### Historical FFO Payout Ratio

Not Applicable

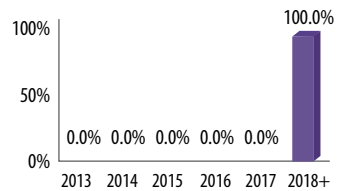
### Year to Date MFFO Payout Ratio

Not Applicable

### Historical MFFO Payout Ratio

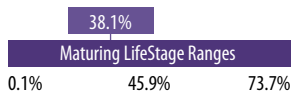
Not Applicable

### Debt Repayment Schedule

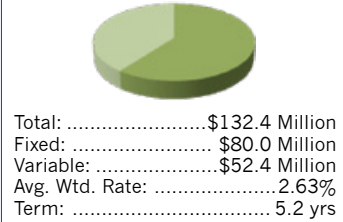


### Current Debt Ratio

Debt to Total Assets Ratio: ... 38.1%



### Debt Breakdown



### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 0.8



Adjusted EBITDA: ..... \$1,355,958  
 Interest Expense: ..... \$1,613,358

### Lease Expirations

Not Applicable

### Trends and Items of Note

- The Company's SRP, as amended on August 6, 2012, allows stockholders who hold their shares for more than one year to sell their shares back to Wells Timberland REIT, subject to certain limitations and penalties. Effective January 1, 2013, the price to be paid for shares redeemed under the Amended SRP is \$6.23 per share, which represents 95% of the most recently published estimated per-share value of the REIT's common stock.
- During the three months ended June 30, 2013, Wells Timberland REIT sold approximately 600 acres for approximately \$1.3 million. Wells Timberland REIT's cost basis in the timberland sold was approximately \$0.9 million.
- The Interest Coverage ratio decreased to 0.8x as of 2Q 2013 compared to 1.9x as of 2Q 2012.
- Approximately \$80.0 million of the REIT's total debt outstanding as of June 30, 2013 is subject to an effectively fixed interest rate when coupled with an interest rate swap.
- Because the REIT does not pay cash distributions, the FFO and MFFO metrics are not applicable.



## Full-Cycle Events Post June 30, 2013

### **Cole Credit Property Trust II, Inc.**

Cole Credit Property Trust II, Inc. ("CCPT II") was formed September, 2004 and closed January 2, 2009. CCPT II raised aggregate gross proceeds of \$2.3 billion via its initial and follow-on offerings (including proceeds from the issuance of shares pursuant to the DRIP offerings).

CCPT II was organized to acquire and operate commercial real estate primarily consisting of freestanding, single-tenant, retail properties, net leased to investment grade and other creditworthy tenants located throughout the U.S.

On January 22, 2013, CCPT II entered into a Plan of Merger with Spirit Realty Capital, Inc. ("Spirit"), a publicly listed REIT. On June 12, 2013, CCPT II held a Special Meeting of Stockholders at which the Stockholders approved the Merger. Spirit merged with and into CCPT II on July 17, 2013, at which time Spirit ceased to exist. CCPT II continued as the surviving company and changed its name to Spirit Realty Capital, Inc. Pursuant to the Merger, Spirit stockholders received 1.9048 shares of CCPT II's common stock per share of Spirit common stock they owned. On July 18, 2013 the surviving corporation commenced trading on the NYSE under Spirit's existing ticker of "SRC." The closing price on July 18, 2013 was \$9.32.

This was the second non-traded REIT full cycle event for Cole Capital™ in 2013. Cole Credit Property Trust III, Inc. ("CCPT III") listed its shares on the NYSE on June 20, 2013 under the symbol COLE.

### **Key Highlights**

- Fundraising time – 42 months
- Closed period – 55 months
- Total – 97 months
- Upon the completion of the merger, Spirit Realty Capital, Inc. became the fourth-largest publicly traded net-lease REIT in the nation, at \$5.2 billion in total capitalization at 8/30/13.

- Other sizable listed single-tenant retail REITs include Realty Income Corp. (O), Cole Real Estate Investments, Inc. (COLE), and National Retail Properties, Inc. (NNN) with total capitalizations of \$12.3 billion, \$8.7 billion and \$6.0 billion, respectively, as of September 3, 2013.

### **Other Actions**

- On August 8, 2013, the surviving corporation sold two multi-tenant power center properties acquired in the merger with CCPT II in a transaction valued at \$259 million.

### **About Cole Capital**

Founded in 1979 and formerly known as Cole Holdings Corporation and its affiliates, Cole Capital™ is the private capital business of Cole Real Estate Investments, Inc. (NYSE: COLE).

- As of June 30, 2013, Cole Capital™ was the advisor to five publicly registered, non-listed REITs (the "managed REITs"). The managed REITs, including CCPT II, owned 1,096 properties representing \$6.5 billion in gross real estate assets.

### **Pre-Listing Portfolio**

- At June 30, 2013, CCPT II owned 747 properties comprising 21.1 million rentable square feet of single and multi-tenant retail and commercial space in 45 states and the U.S. Virgin Islands. The properties were 96% leased. CCPT II also owned 69 mortgage notes receivable secured by 43 restaurant properties and 26 single-tenant retail properties.



## Full-Cycle Events Post June 30, 2013

### **Cole Credit Property Trust III, Inc.**

Cole Credit Property Trust III, Inc. ("CCPT III"), was formed in January, 2008 and closed April 27, 2012. CCPT III was organized to acquire and operate a portfolio primarily consisting of retail and other income producing commercial real estate, net leased to regional or national, name brand, creditworthy tenants. As of June 30, 2013, the Company had issued approximately 499.9 million shares of its common stock in offerings for aggregate gross proceeds of \$5.0 billion.

On March 5, 2013, CCPT III entered into an Agreement and Plan of Merger which provided for the merger of Cole Holdings Corporation which was originally wholly-owned by Christopher H. Cole, with and into CREInvestments, LLC, a wholly-owned subsidiary of CCPT III. Subsequent to the closing of the Merger on April 5, 2013, CCPT III changed its name to Cole Real Estate Investments, Inc. effective June 3, 2013. On June 20, 2013, the Company listed its common stock as Cole Real Estate Investments, Inc., on the New York Stock Exchange (the "NYSE") under the ticker symbol "COLE." The stock closed trading on June 20, 2013, at \$10.90 per share.

Concurrent with its listing, the Company commenced a modified Dutch auction\* tender offer to purchase for cash up to \$250 million in value of shares of its common stock. The offer was for not greater than \$13.00 nor less than \$12.25 per share net to tendering shareholders in cash. On August 9, 2013, the Company accepted for purchase approximately 20.4 million shares or 4.32% of its outstanding common stock for purchase at the final price of \$12.25 per share. Due to oversubscription, the Company accepted for purchase on a pro rata basis 7% of properly tendered shares.

On March 19, 2013, the CCPT III received an unsolicited proposal from American Realty Capital Properties (NYSE: ARCP) to acquire the Company for a combination of cash and ARCP stock for at least \$12.00 per share, later revised upward to \$12.50 in cash or \$13.59 in ARCP common stock. The special committee of the CCPT III's board of directors rejected each proposal.

This was the first of two nontraded REIT full cycle events for Cole Capital™. Cole Credit Capital Trust II was merged with Spirit Capital on July 17, 2013.

### **Key Highlights**

- Fundraising time – 43 months
- Closed period – 14 months
- Total – 57 months
- Upon listing, the Company became the second-largest publicly traded net-lease REIT in the nation, at \$8.7 billion in total capitalization at 8/30/13.

### **Other Actions**

- As a result of the Merger, the Cole Holdings Stockholder and certain of Holdings' executive officers received \$21.9 million in cash and approximately 10.7 million newly-issued shares of common stock of the Company (the "Upfront Stock Consideration"). As a result of the listing of the Company's common stock on the NYSE, approximately 2.1 million shares were issued to the Holdings Executives (the "Listing Consideration"). In accordance with the Merger, approximately 4.3 million shares of the Upfront Stock Consideration and the Listing Consideration were placed into escrow and will be released on April 5, 2014, subject to certain requirements<sup>1</sup>.
- The Company's board of directors increased the previous authorized cash dividends for August and September, 2013, from an annualized rate of \$0.70 per share to \$0.72 per share.

### **About Cole Capital™**

- Founded in 1979 and formerly known as Cole Holdings Corporation and its affiliates, Cole Capital™ is the private capital business of Cole Real Estate Investments, Inc. (NYSE: COLE).
- As of June 30, 2013, Cole Capital™ was the advisor to five publicly registered, non-listed REITs (the "managed REITs"). The managed REITs owned 1,096 properties representing \$6.5 billion in gross real estate assets.

### **Post Listing Portfolio**

- As of June 30, 2013, COLE owned 1,014 properties, comprising 44.0 million rentable square feet of single and multi-tenant retail and commercial space located in 48 states, which is 99% leased. The Company also owned 21 CMBS, three notes receivable and interests in 12 properties through unconsolidated JV's.

<sup>1</sup> 10-Q 2Q 2013

\* In a "Dutch Auction Tender Offer" shareholders are invited to tender their stock, if they desire, at any price within the stated range. The firm then compiles these responses and the purchase price is the lowest price that allows the firm to buy the number of shares sought in the offer, and the firm pays that price to all investors who tendered at or below that price.



## Full-Cycle Events Post June 30, 2013

### Independence Realty Trust, Inc.

Independence Realty Trust, Inc., (IRT) was formed in 2009 as Empire American Realty Trust, and is externally advised by a subsidiary of RAIT Financial Trust (RAIT), which owned 99.1% of the common stock prior to the public offering. The name was changed to Independence Realty Trust Inc. in February, 2011. IRT filed a best-efforts offering June 10, 2011, for up to 100 million shares at \$10.00 per share. Through June 30, 2013, IRT had sold 300,000 shares to RAIT and 37,000 shares to unaffiliated investors.

Affiliates of RAIT contributed seven of the eight properties in the original portfolio to the operating partnership in exchange for 5,111,700 common units in the operating partnership. IRT's portfolio of eight apartment complexes aggregating 2,004 units in Arizona, Colorado, Georgia, Indiana, Texas and Virginia were externally managed by Jupiter Communities LLC, an apartment management firm and majority-owned subsidiary of RAIT.

On May 14, IRT filed a registration statement for an IPO. The proposed maximum aggregate offering price was \$50 million. The Company planned to list on the NYSE MKT under the symbol "IRT." On July 26, IRT specified in an amended registration that it would offer to sell 4.0 million shares.

On August 13, 2013, IRT announced the pricing of its public offering. It entered into an underwriting agreement with Ladenburg Thalmann & Co. as acting representative of the underwriters, for the offering of 4,000,000 shares of common stock at a price of \$8.50 per share. The underwriters were also granted an option to purchase an additional 600,000 shares of common stock. The underwriting discount per share was set at \$0.595. The common stock was approved for listing on the NYSE MKT.

On August 13, 2013, IRT's common stock began trading on the NYSE MKT and closed the day at \$8.45 on volume of 879,100 shares. On August 16, 2013, RAIT purchased 170,000 shares of IRT for \$1,445,000 (\$8.50 per share). Inside directors also purchased 12,000 shares on August 16, 2013, for \$8.50 per share. A \$0.0533 per share dividend was paid on August 15, 2013.

### Key Highlights

- Fundraising time – 23 months
- Closed period – 3 months
- Total – 26 months
- As of 9/6/2013, IRT had 9,643,440 shares outstanding and the market capitalization of its common stock was \$78.9 million. Total capitalization was \$174.7 million.
- At 9/6/2013, IRT closed at \$8.18 per share, with a dividend yield of 7.82%.
- IRT made no acquisitions or dispositions of properties in the first 8 months of 2013.

### Other Actions

- On August 29, 2013, the Company announced that it redeemed 125 shares of its 12.5% series A preferred stock for about \$140,000. The operating partnership also redeemed 350 shares of its series B preferred units, all of which were owned by a subsidiary of RAIT, for \$3.5 million.

### About RAIT Financial Trust (RAIT)

- RAIT Financial Trust is an internally-managed real estate investment trust with \$2.98 billion in total assets (6/30/13) that provides debt financing options to owners of commercial real estate and invests directly into commercial real estate properties located throughout the United States.
- On August 26, 2013, RAIT Financial Trust disclosed a 59.8% interest in the common stock of Independence Realty Trust, Inc.

### Pre-Listing Portfolio

- As of June 30, 2013, IRT owned eight multifamily properties with 2,004 total units. The units were 94.2% occupied. The average rent per unit was \$789 per month.
- The properties and units were located in Arizona (2, 680), Georgia (2, 450), Texas (1, 320), Virginia (1, 200), Indiana (1, 192) and Colorado (1, 162).





## Source of Distributions

### **American Realty Capital – Retail Centers of America, Inc.**

During the three months ended June 30, 2013, the Company paid distributions of \$0.254 million and \$0.088 million was funded by DRIP and offering proceeds and \$0.166 million was funded by cash flows from operations.

### **American Realty Capital Daily Net Asset Value, Inc.**

For the three months ended June 30, 2013, distributions paid to stockholders totaled \$195,000, inclusive of approximately \$75,000 of distributions under the DRIP. For the quarter ended June 30, 2013, cash used to pay distributions was from cash provided by operations (61.5%) and common stock issued under the DRIP (38.5%).

### **American Realty Capital Healthcare Trust II, Inc.**

During the three months ended June 30, 2013, distributions paid to common stockholders totaled approximately \$16,000, inclusive of approximately \$9,000 of distributions issued under the DRIP. During the three months ended June 30, 2013, cash used to pay distributions was generated from proceeds from the issuance of common stock and common stock issued under the DRIP.

### **American Realty Capital Global Trust, Inc.**

For the three months ended June 30, 2013, cash flows from operations of (\$46,000), proceeds from issuance of common stock of \$233,000 and \$102,000 in DRP proceeds funded \$289,000 in distributions paid.

### **American Realty Capital Healthcare Trust, Inc.**

For the three months ended June 30, 2013, total distributions of \$24.617 million were covered by cash flows from operations of \$11.663 million and the proceeds from the distribution reinvestment plan of \$12.954 million.

### **American Realty Capital Trust New York Recovery REIT, Inc.**

For the three months ended June 30, 2013, cash used to pay distributions of \$2.624 million (net of DRP of \$2.439 million) was funded by cash flows from operations. Net cash flow from operations was \$4.512 million.

### **American Realty Capital Trust IV, Inc.**

During the six months ended June 30, 2013, distributions paid to common stockholders totaled \$31.6 million, inclusive of \$15.7 million of distributions for which common stock was issued under the DRIP. For the six months ended June 30, 2013, 50.2% of the distributions were funded by proceeds from the issuance of common stock and 49.8% from common stock issued under the DRIP.

### **American Realty Capital Trust V, Inc.**

For the three months ended June 30, 2013, cash used to pay distributions of \$173,000 (net of DRP of \$226,000) was funded from the offering.

### **ARC Realty Finance Trust, Inc.**

On June 3, 2013, the Company paid a distribution of \$1,034 to stockholders of record during the month of May 2013. Approximately \$507 of the distribution was paid in cash, while \$526 was used to purchase 22 shares for those stockholders that chose to reinvest dividends through our DRIP.

### **Apple REIT Seven, Inc.**

For the six months ended June 30, 2013, distributions totaled approximately \$32.4 million. For the same period, the Company's net cash generated from operations was approximately \$29.0 million. This shortfall includes a return of capital and was funded primarily by additional borrowings by the Company.

### **Apple REIT Eight, Inc.**

For the six months ended June 30, 2013, cash distributions totaled approximately \$23.5 million. For the same period, the Company's net cash generated from operations was approximately \$18.1 million. This shortfall includes a return of capital and was funded primarily by additional borrowings by the Company.

### **Apple REIT Nine, Inc.**

For the six months ended June 30, 2013, distributions totaled approximately \$75.7 million. For the same period, the Company's net cash generated from operations was approximately \$60.2 million. This shortfall includes a return of capital and was funded primarily by borrowings on the credit facility and cash on hand.

### **Apple REIT Ten, Inc.**

For the six months ended June 30, 2013, distributions totaled approximately \$28.0 million. For the same period, the Company's net cash generated from operations was approximately \$16.8 million. This shortfall is a return of capital and was funded by the proceeds from the offering and a significant amount of cash awaiting investment in real estate, earning interest at short term money rates.

### **Behringer Harvard Multifamily REIT I, Inc.**

The total distributions paid to common stockholders for the six months ended June 30, 2013, were approximately \$13.87 million, which is net of stock issuances pursuant to the DRP of \$15.5 million. For the same period, net cash flows provided by operations totaled \$43.6 million. In addition, distributions to noncontrolling interests were \$39.3 million.

### **Behringer Harvard Opportunity REIT I, Inc.**

In connection with entering the disposition phase, on March 28, 2011, the board of directors discontinued regular, quarterly distributions in favor of those that may arise from proceeds available to be distributed from the sale of assets and the Company ceased offering shares pursuant to the DRP. No distributions were made during the quarter ended June 30, 2013.

### **Behringer Harvard Opportunity REIT II, Inc.**

The Company paid no distributions to stockholders during the three months ended June 30, 2013.

### **Bluerock Multifamily Growth REIT, Inc.**

For the six months ended June 30, 2013, distributions to common shareholders totaled \$488,927, net of DRP proceeds of \$313,195. Net cash provided by operating activities was \$1.715 million.

### **Carey Watermark Investors Incorporated**

For the six months ended June 30, 2013, the Company paid cash distributions of \$4.143 million. Cash flows from operations were negative \$6.116 million. The Company has funded all cash distributions paid to date using net proceeds from the initial public offering.

### **Carter Validus Mission Critical REIT, Inc.**

For the six months ended June 30, 2013, cash flow provided by operations of \$8.046 million exceeded distributions paid of \$4.940 million. Common stock issued through the DRP totaled \$4.021 million.

### **CNL Healthcare Properties, Inc.**

During the six months ended June 30, 2013, the Company declared cash distributions of approximately \$4.98 million. In addition, the Company declared and made stock distributions of 373,303 shares of common stock for the six months ended June 30, 2013. For the six months ended June 30, 2013, 100% of distributions were considered a return of capital for federal income tax purposes.

### **CNL Lifestyle Properties, Inc.**

For the six months ended June 30, 2013, net cash provided by operations was \$82.165 million, distributions to stockholders net of distributions reinvested was \$39.982 million.



## Source of Distributions

### **Cole Corporate Income Trust, Inc.**

During the six months ended June 30, 2013, the Company paid distributions of \$3.914 million, not including \$4.811 million through the issuance of shares pursuant to the DRIP. Net cash used in operating activities for the three months ended June 30, 2013 was \$5.939 million. All of the 2013 distributions were funded from proceeds from the Offering.

### **Cole Credit Property Trust IV, Inc.**

During the six months ended June 30, 2013, the Company paid distributions of \$12.8 million, including \$6.7 million through the issuance of shares pursuant to the DRIP. Net cash used by operating activities for the six months ended June 30, 2013 was \$1.7 million and reflected a reduction for real estate acquisition related expenses incurred of \$20.2 million, in accordance with GAAP. As set forth in the "Estimated Use of Proceeds" section of the prospectus for the Offering, the Company treats real estate acquisition related expenses as funded by proceeds from the Offering, including proceeds from the DRIP. Therefore, proceeds from the issuance of common stock for the six months ended June 30, 2013 are considered a source of distributions to the extent that real estate acquisition related expenses have reduced net cash flows provided by operating activities.

### **Cole Real Estate Income Strategy (Daily NAV), Inc.**

During the six months ended June 30, 2013, the Company paid distributions of \$645,000 including \$122,000 through the issuance of shares pursuant to the DRIP. Distributions for the six months ended June 30, 2013 were funded by cash flows from operations in excess of distributions from the prior year of \$317,000, or 49%, and proceeds from the offering of \$328,000, or 51%. Net cash used in operating activities for the six months ended June 30, 2013, reflect a reduction for real estate acquisition related expenses incurred and expensed in accordance with GAAP. The Company treats real estate acquisition expenses as funded by proceeds from the Offering of its shares. Therefore, for consistency, proceeds from the issuance of common stock have been reported as a source of distributions to the extent that acquisition expenses have reduced net cash flows from operating activities in the current and prior periods.

### **Columbia Property Trust, Inc.**

During the six months ended June 30, 2013, the Company generated net cash flows from operating activities of \$102.3 million, which consists primarily of receipts from tenants for rent and reimbursements, reduced by payments for operating costs, administrative expenses, and interest expense. During the same period, the Company paid total distributions to stockholders of \$56.63 million, which excludes \$46.40 million reinvested in common stock pursuant to the DRP.

### **Corporate Property Associates 16 - Global, Inc.**

During the six months ended June 30, 2013, the Company used cash flows provided by operating activities of \$95.7 million primarily to fund net cash distributions to stockholders of \$68.1 million, which excluded \$23.6 million in distributions that were reinvested by stockholders through the DRIP, and to pay distributions of \$14.1 million to affiliates that hold noncontrolling interests in various entities with the Company. For 2013, the advisor elected to receive its asset management fees in shares of common stock and as a result, during the six months ended June 30, 2013 it paid asset management fees of \$8.2 million through the issuance of stock rather than in cash.

### **Corporate Property Associates 17 - Global, Inc.**

During the six months ended June 30, 2013, the Company used cash flows provided by operating activities of \$93.8 million primarily to fund cash distributions paid to stockholders of \$49.7 million, excluding \$46.9 million in distributions that were reinvested in shares of common stock by stockholders through the DRIP, and to pay distributions of \$13.9 million to affiliates that hold noncontrolling interests in various entities with the Company. For 2013, the advisor elected to continue to receive its asset management fees in shares

of common stock and, as a result, during the six months ended June 30, 2013, it paid asset management fees of \$9.9 million through the issuance of stock rather than in cash.

### **Corporate Property Associates 18 - Global, Inc.**

As of June 30, 2013, the REIT had not raised the minimum amount of subscription proceeds and, therefore, no distributions had accrued for either Class A or Class C Shares at that date.

### **Dividend Capital Diversified Property Fund, Inc.**

During the six months ended June 30, 2013, the Company generated approximately \$39.33 million from operations of its real properties and income from debt related investments, and paid \$20.46 million in cash distributions to common shareholders, not including \$10.9 million reinvested pursuant to the DRP.

### **Global Income Trust, Inc.**

During the six months ended June 30, 2013, cash distributions totaling approximately \$2.5 million were declared payable to stockholders, including approximately \$0.4 million declared but unpaid as of June 30, 2013 which were paid in July 2013. For the six months ended June 30, 2013, approximately 37% of distributions declared to stockholders were considered to be funded with proceeds from the Offering, and 67% were considered to be funded with cash provided by operations for GAAP purposes. In addition, approximately 24% of the cash distributions paid to stockholders were considered taxable income and 76% were considered a return of capital to stockholders for federal income tax purposes for the six months ended June 30, 2013.

### **Griffin Capital Essential Asset REIT, Inc.**

For the six months ended June 30, 2013, the Company paid and declared distributions of approximately \$6.1 million to common stockholders including shares issued pursuant to the DRP, and approximately \$1.4 million to the limited partners of its Operating Partnership, as compared to FFO and MFFO for the six months ended June 30, 2013 of \$1.6 million and \$7.6 million, respectively. The payment of distributions from sources other than FFO or MFFO may reduce the amount of proceeds available for investment and operations or cause the Company to incur additional interest expense as a result of borrowed funds.

### **Griffin-American Healthcare REIT II, Inc.**

Distributions paid for the six months ended June 30, 2013 were \$43.938 million and were funded 100% from offering proceeds.

### **Hartman Short Term Income Properties XX, Inc.**

For the six months ended June 30, 2013, the Company paid aggregate distributions of \$1,388,305. Of the distributions paid to stockholders for the six months ended June 30, 2013, approximately 28% was attributable to cash provided by operating activities.

### **Hines Global REIT, Inc.**

Distributions paid to stockholders (including those reinvested in stock) during the three and six months ended June 30, 2013 were \$27.7 million and \$52.6 million, respectively. In the initial quarters of operations, and from time to time thereafter, cash flows from operations have been and may continue to be insufficient to fund distributions to stockholders. The Company funded 61% of total distributions for the six months ended June 30, 2013 with cash flows from financing activities, which include proceeds from public offerings and proceeds from debt financings.

### **Hines Real Estate Investment Trust, Inc.**

On March 25, 2013, the Company declared a distribution of approximately \$198.0 million, resulting in a distribution to stockholders of \$0.80 per share that was paid during the three months ended June 30, 2013 to all stockholders of record as of April 2, 2013. This distribution was designated



## Source of Distributions

by the Company as a special distribution, which was a return of a portion of the stockholders' invested capital and, as such, reduced their remaining investment in the Company. The special distribution represents a portion of the proceeds from the sale of Williams Tower and other strategic asset sales. The special distribution was not subject to reinvestment pursuant to the Company's dividend reinvestment plan and was paid in cash.

These special distributions reduced the estimated per share NAV of \$7.61, resulting in a new estimated per share NAV of \$6.75, effective April 2, 2013.

### **Industrial Income Trust, Inc.**

For the six months ended June 30, 2013, 52% of total distributions were paid from cash flows from operating activities, as determined on a GAAP basis, and 48% of total distributions were funded from sources other than cash flows from operating activities, specifically with proceeds from the issuance of DRIP shares. Some or all of future distributions may be paid from these sources, as well as from the sales of assets, cash resulting from a waiver or deferral of fees otherwise payable to the Advisor or its affiliates, and interest income from cash balances.

### **Inland American Real Estate Trust, Inc.**

The Company paid monthly cash distributions to stockholders which totaled in the aggregate \$223.3 million for the six months ended June 30, 2013, which was equal to \$0.50 per share on an annualized basis, assuming that a share was outstanding the entire year. The distributions paid for the six months ended June 30, 2013 were funded from cash flow from operations, distributions from unconsolidated joint ventures and gains on sale of properties.

### **Inland Diversified Real Estate Trust, Inc.**

The Company generated sufficient cash flow from operations, determined in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), to fully fund distributions paid during the six months ended June 30, 2013. Cash retained of \$164 from the waiver of the business management fee for the six months ended June 30, 2013 by the Business Manager had the effect of increasing cash flow from operations for this period because it did not have to use cash to pay the fee. However, even if the Business Manager had not waived this business management fee during the six months ended June 30, 2013, it would have still generated sufficient cash flow from operations to fund the distributions paid for the period.

### **Inland Real Estate Income Trust, Inc.**

For the six months ended June 30, 2013, the Company paid total distributions of \$183,995, and received \$75,539 through the DRIP. The balance was funded by proceeds from the offering.

### **Jones Lang Lasalle Income Property Trust, Inc.**

For the six months ended June 30, 2013, the Company paid cash distributions to stockholders of \$5.544 million compared to funds from operations of \$10.038 million.

### **KBS Legacy Partners Apartment REIT, Inc.**

For the six months ended June 30, 2013, the Company paid aggregate distributions of \$5.1 million, including \$2.9 million of distributions paid in cash and \$2.2 million of distributions reinvested through the dividend reinvestment plan. FFO for the six months ended June 30, 2013 was \$0.7 million and cash flows provided by operations was \$1.3 million. The Company funded total distributions paid for the six months ended June 30, 2013 with \$1.3 million of cash flows from operations (25%) and \$3.8 million of debt financing (75%). For the six months ended June 30, 2013, funds from operations represented 13% of total distributions paid.

### **KBS Real Estate Investment Trust, Inc.**

For the three months ended June 30, 2013, the Company did not pay cash distributions.

### **KBS Real Estate Investment Trust II, Inc.**

For the six months ended June 30, 2013, the Company paid aggregate distributions of \$72.4 million, including \$34.5 million of distributions paid in cash and \$37.9 million of distributions reinvested through its dividend reinvestment plan. FFO and cash flows from operations for the six months ended June 30, 2013 were \$75.9 million and \$63.8 million, respectively.

### **KBS Real Estate Investment Trust III, Inc.**

For the six months ended June 30, 2013, the Company paid aggregate distributions of \$10.0 million, including \$5.4 million of distributions paid in cash and \$4.6 million of distributions reinvested through its dividend reinvestment plan. The net loss for the six months ended June 30, 2013 was \$8.5 million. FFO for the six months ended June 30, 2013 was \$5.0 million and cash flows provided by operations were \$5.7 million. The Company funded total distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with \$5.7 million of cash flows from operations and \$4.3 million of debt financing. For purposes of determining the source of distributions paid, it assumes first that it uses cash flows from operations from the relevant periods to fund distribution payments.

### **KBS Strategic Opportunity REIT, Inc.**

On April 4, 2013, the Company paid distributions of \$3.6 million to stockholders of record as of the close of business on March 22, 2013. This distribution was funded by the gain resulting from a disposition of an office building containing 151,937 rentable square feet located in Richardson, Texas on January 11, 2013 for \$7.7 million. This disposition resulted in a gain of approximately \$3.8 million, calculated in accordance with GAAP and reduced for a 10% noncontrolling interest held by a non-affiliate. This was the only distribution declared during the six months ended June 30, 2013.

### **Landmark Apartment Trust of America, Inc**

For the six months ended June 30, 2013, the Company paid aggregate distributions of \$3.2 million (\$930,000 of which was reinvested in shares of its common stock pursuant to the Amended and Restated DRIP), as compared to cash flows provided by operating activities of \$6.6 million. From inception through June 30, 2013, the Company has paid cumulative distributions of \$49.0 million (\$19.4 million of which was reinvested in shares of common stock pursuant to the Amended and Restated DRIP), as compared to cumulative cash flows provided by operating activities of \$15.8 million. The cumulative distributions paid in excess of cash flows provided by operating activities were paid primarily from net proceeds from public offerings. Distributions of amounts in excess of current and accumulated earnings and profits have resulted in a return of capital to stockholders.

### **Lightstone Value Plus Real Estate Investment Trust, Inc.**

For the six months ended June 30, 2013, total distributions of \$10.469 million were funded by: \$3.310 million (32%) from DRP, cash flow from operations of approximately \$7.107 million (68%), excess cash of \$0.052 million (0%).

### **Lightstone Value Plus Real Estate Investment Trust II, Inc.**

On July 15, 2013, the total distribution for the three-month period ending June 30, 2013 of approximately \$1.0 million was paid in full using a combination of cash and approximately 49,000 shares of the Company's common stock issued pursuant to the Company's DRIP, at a discounted price of \$9.50 per share. The distribution was paid from cash flows provided from operations (approximately \$0.5 million or 50%) and excess cash proceeds from the issuance of common stock through REIT II's DRIP (approximately \$0.5 million or 50%).



## Source of Distributions

### **Moody National REIT I, Inc.**

Net cash provided by operating activities for the six months ended June 30, 2013 was \$592,218. For the six months ended June 30, 2013 the payment of distributions was \$483,974, and the dividend reinvestment plan provided \$162,384.

### **MVP REIT, Inc.**

For the six months ended June 30, 2013, the Company paid total distributions of approximately \$137,000, and received through the DRIP. The balance was funded by proceeds from the offering.

### **NorthStar Healthcare Income, Inc.**

For the six months ended June 30, 2013, the Company paid total distributions of approximately \$2,934, and issued 5 shares of common stock in exchange for cash of approximately \$51 through the DRIP. The balance was funded by proceeds from the offering.

### **NorthStar Real Estate Income Trust, Inc.**

The Company paid \$32.329 million in distributions during the six months ended June 30, 2013, compared to cash flow from operations of \$24.750 million. Proceeds from the DRP were \$13.907 million.

### **Paladin Realty Income Properties, Inc.**

The Company paid \$2.309 million in distributions to shareholders during the six months ended June 30, 2013 compared to cash flows from operations of \$2.653 million.

### **Phillips Edison - ARC Shopping Center REIT Inc.**

For the six months ended June 30, 2013, gross distributions of approximately \$7.1 million were paid to stockholders, including \$3.2 million of distributions reinvested through the DRP, for net cash distributions of \$3.9 million. Cash generated from operating activities for the six months ended June 30, 2013 was \$8.6 million. On July 1, 2013, gross distributions of approximately \$2.7 million were paid, including \$1.3 million of distributions reinvested through the DRP, for net cash distributions of \$1.4 million. These distributions were funded by cash generated from operating activities.

### **RREEF Property Trust, Inc.**

For the six months ended June 30, 2013, the Company paid total distributions of \$41,946, and received \$41,946 through the DRIP, therefore all distributions were funded by the reinvestment plan, resulting in the issuance of 3,469 Class B shares.

### **Resource Real Estate Opportunity REIT, Inc.**

For the six months ended June 30, 2013, the Company paid aggregate distributions of \$5.5 million, including \$1.9 million of distributions paid in cash and \$3.6 million of distributions reinvested through the distribution reinvestment plan. Cash flow from operations during this period was negative \$192,000.

### **Sentio Healthcare Properties, Inc.**

For the six months ended June 30, 2013, the Company paid cash distributions to stockholders of \$3.026 million. During that period the Company had cash inflow from operations of \$5.165 million.

### **Steadfast Income REIT, Inc.**

For the three and six months ended June 30, 2013, the Company paid aggregate distributions of \$5,284,780 and \$9,452,611, including \$3,003,582 and \$5,403,290 of distributions paid in cash and 234,450 and 416,169 shares of common stock issued pursuant to its distribution reinvestment plan for \$2,281,198 and \$4,049,321, respectively. For the three and six months ended June 30, 2013, the net loss was \$7,746,115 and \$16,338,016, and the Company had funds from operations, or FFO, of \$2,026,404 and \$2,158,060 and net cash provided by operations of \$767,640 and \$3,076,505, respectively. For the

three and six months ended June 30, 2013, it funded \$767,640 and \$3,076,505 of distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with net cash provided by operating activities and \$4,517,140 and \$6,376,106 with proceeds from its public offering. However, on a cumulative basis, as of June 30, 2013, all distributions have been funded with proceeds from the public offering.

### **Strategic Storage Trust, Inc.**

For the six months ended June 30, 2013, the Company paid total distributions of approximately \$16.410 million, of which \$7.265 million was reinvested, funding the difference using \$9.146 million from cash flows provided by operations.

### **TIER REIT, Inc. (formerly Behringer Harvard REIT I, Inc.)**

During the three months ended June 30, 2013, there were no distributions to common stockholders, and no redemptions of common stock.

### **TNP Strategic Retail Trust, Inc. (Strategic Realty Trust, Inc.)**

Prior to the termination of its initial public offering on February 7, 2013, the Company funded all of its cash distributions from proceeds from the initial public offering of common stock. For the six months ended June 30, 2013, the Company paid \$390,000 in cash distributions to common stockholders and \$246,000 was reinvested via the DRIP, all in the first quarter, 2013. Effective January 15, 2013, the Company announced that it will no longer be making monthly distributions.

### **United Development Funding IV**

For the six months ended June 30, 2013, the Company paid total distributions of approximately \$18.7 million, of which \$6.7 million was reinvested. The distributions were funded using \$7.9 million from cash flow from operations (42%) and \$10.8 million (58%) from proceeds from issuance of common stock.

### **United Realty Trust, Inc.**

For the six months ended June 30, 2013, the Company paid total distributions of \$152,353, of which \$49,035 was reinvested under the DRIP. The distributions were funded 46.5% by the DRIP proceeds and 53.5% by proceeds from the offering.

### **Wells Core Office Income REIT, Inc.**

For the six months ended June 30, 2013, the Company paid total distributions to stockholders, including amounts reinvested in common stock pursuant to the DRP, of approximately \$14.1 million. During the same period, net cash provided by operating activities was approximately \$8.7 million, including approximately \$1.7 million of acquisition-related costs paid with proceeds from its public offerings, but which under GAAP reduced net cash from operating activities. As a result, the distributions paid to common stockholders for the six months ended June 30, 2013, as described above, were funded with approximately \$8.7 million from cash provided by operating activities, and the remaining amount of approximately \$5.4 million was funded from borrowings.



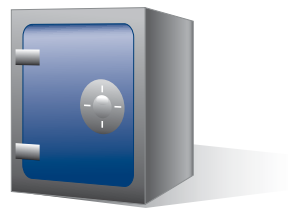
## 2013 Publication Schedule

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	SEC 10Q/10K Release Date	Report Publication Date
Third Quarter 2013 (10Q)	November 14, 2013	December 9, 2013
2013 Year-in-Review	Year End 2013 Estimates	March 1, 2014
Fourth Quarter 2013 (10K)	March 31, 2014	April 23, 2014







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