

Correction

Our September 17th presentation incorrectly showed KBS Strategic Opportunity REIT with a -13.8% change in NAV year-over-year. We should have shown KBS Strategic Opportunity REIT with an 11.8% change in NAV year-over-year.

The change was due to our error in failing to add back the \$2.95 special distribution to the NAV as of November 2018. The distribution was paid in December 2018 and had the effect of lowering the NAV in Q2 2019 but should be added back to accurately represent the values to shareholders.

We regret any confusion created by this error.



Stacy Chitty
Managing Partner



James Sprow
Sr. V.P. - Research



Maria Smorgonskaya
Sr. Financial Analyst



Luke Schmidt
Sr. Financial Analyst

BLUE
VAULT™

Alts Series

Q2 2019 "Vault View" NTR & BDC Quarterly Review Summary

Join the audio conference
Dial in using your phone or select Computer audio to use your mic & speakers.

File View Help

Audio

Computer audio

Phone call

Dial: +1 (914) 614-3426

Access Code: 276-509-234

Audio PIN: 42

Already on the call? Press #42# now

United States

Problem dialing in?

Questions

[Enter a question for staff]

Send

Multi sessions different registrants

Webinar ID: 980-960-603

GoToWebinar

Blue Vault

Our goal is to provide the most in-depth and thorough research available on alternative investments, including nontraded REITs, BDCs, and Closed-End Funds, Interval Funds and Private Offerings to help educate financial advisors and help protect investors.

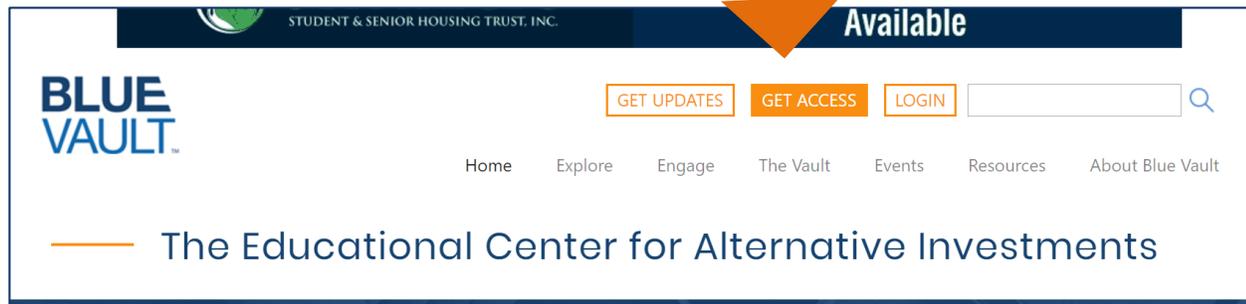
To learn more, please visit the Blue Vault website:

www.bluevaultpartners.com

Subscribe to our Research

Find this useful and want more? Subscribe to our research today.

Go to our home page – BlueVaultPartners.com – and click on “GET ACCESS”



\$79 – Full access to our research for all Financial Advisors

For those whose Broker Dealers are Blue Vault Partners:

- **Free access** to a custom set of our research
- **\$49** – Full access to our research

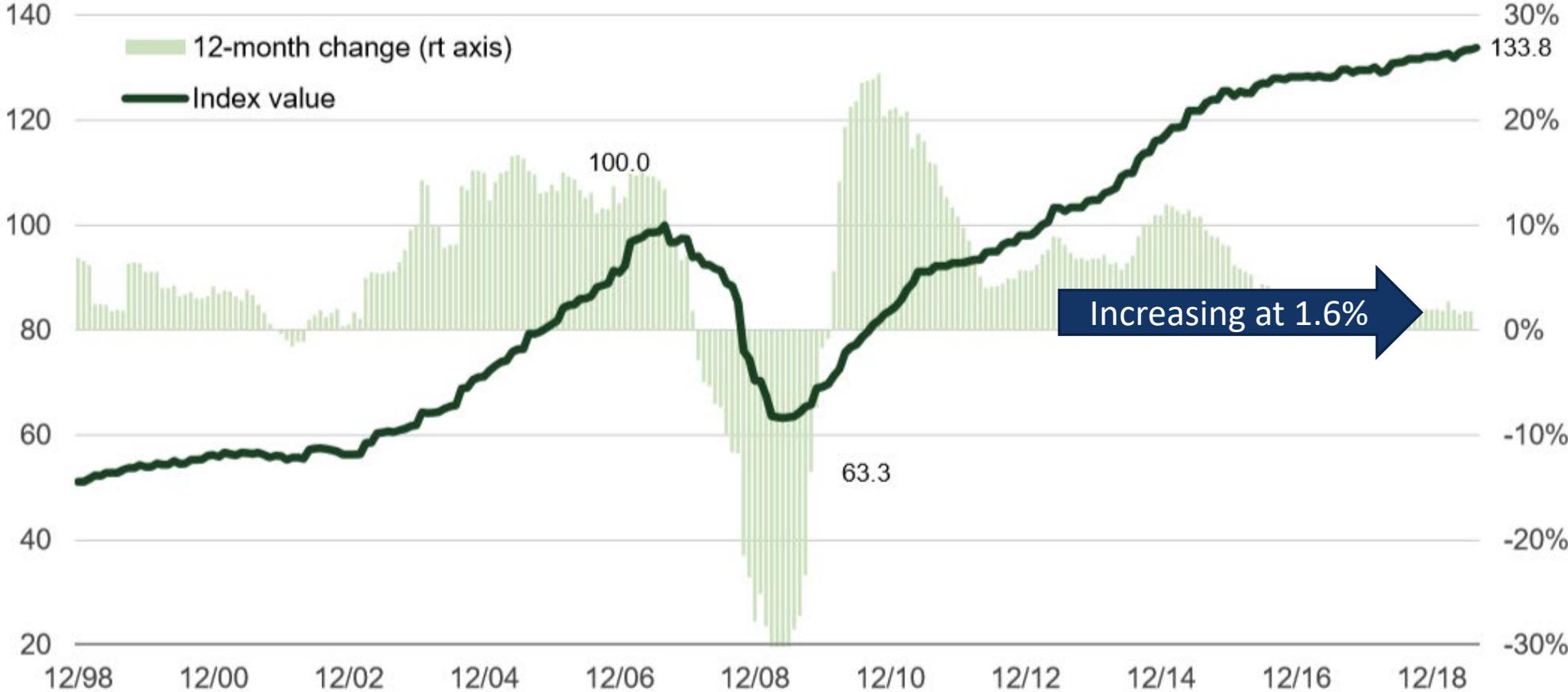
Nontraded REITs Q2 2019

Nontraded REITs Q2 2019 Stories

- NTR Capital raise increased to \$2.792 billion in Q2 from \$1.533 billion in Q1 2019, an 82% increase
- Blackstone REIT raised \$2.019 billion in Q2 2019, over 72% of NTR capital raise
- JLL raised 6.2% and Black Creek raised 5.2% of NTR capital raise in Q2 2019
- Starwood broke escrow December 21, and raised \$135.5 million in Q2 2019 for a 4.9% share after raising \$86 million in Q1 2019
- Phillips Edison Grocery Center REIT III to merge with Phillips Edison & Co. in Q4
- Most recent new entrants include InPoint CRE Income, Procaccianti Hotel REIT, Cottonwood Communities and Oaktree REIT
- Blackstone REIT acquired 161 properties for \$3.161 billion, 71.5% of total values
- CNL Healthcare Properties sold 59 properties for \$1.344 billion, 49% of total disposition values

Commercial Property Prices Up 1.6% Over Past 12 Months

Green Street Commercial Property Price Index



Change in Commercial Property Values

As of August 31, 2019

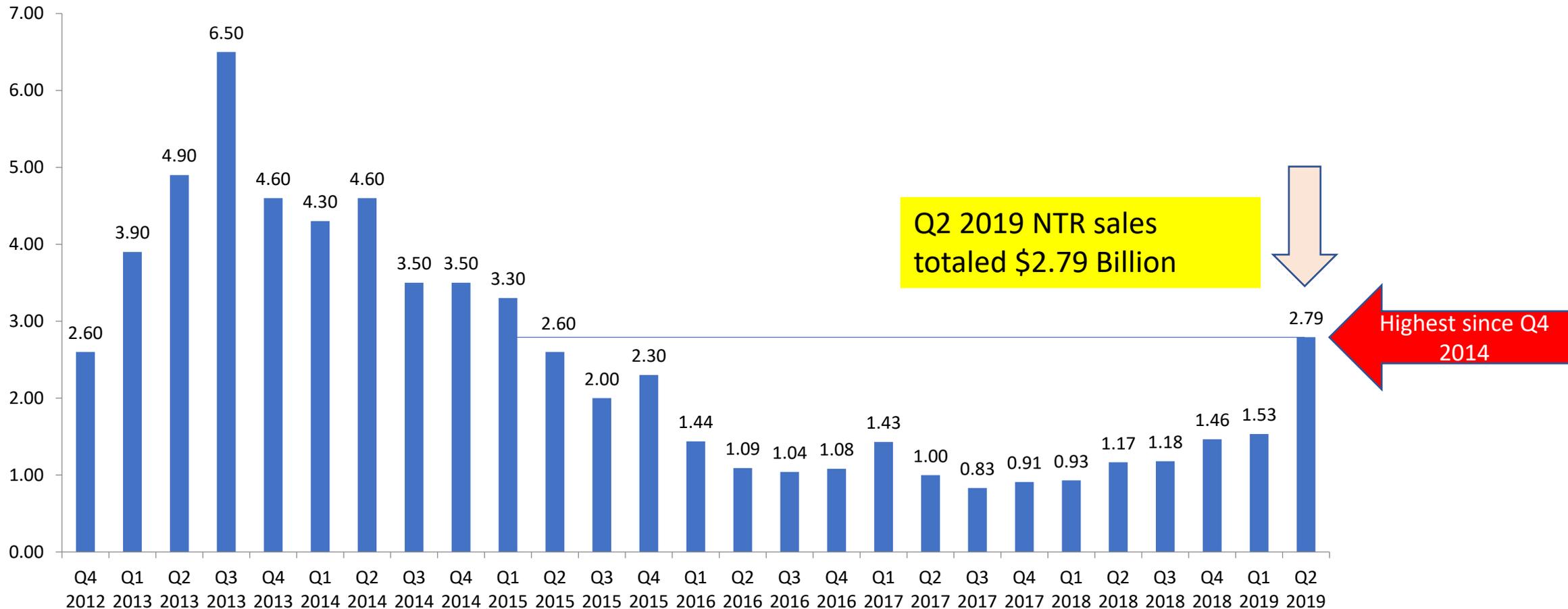
Industrial, Student Housing, Apartments Up, Hospitality & Net Lease Flat

Green Street CPPI: Sector-Level Indexes

	Index Value	Change in Commercial Property Values		
		Past Month	Past 3 Mos	Past 12 Mos
All Property	133.8	0%	1%	2%
Core Sector	132.7	0%	1%	2%
Apartment	148.3	2%	2%	10%
Industrial	157.7	1%	5%	10%
Mall	107.4	-6%	-6%	3%
Office	116.6	1%	1%	3%
Strip Retail	111.5	1%	1%	2%
Health Care	141.8	1%	1%	1%
Lodging	109.2	0%	0%	0%
Manufactured Home Park	225.9	5%	5%	18%
Net Lease	99.0	0%	0%	1%
Self Storage	179.7	1%	1%	1%
Student Housing	155.3	2%	2%	5%

Last 12 months as of August 31, 2019

Nontraded REIT Capital Raise (in \$ Billions) (Quarterly, through June 30, 2019)



New Sponsors or Offerings in Q2 2019

SPONSOR SUSPENDED OFFERING:

Phillips Edison Grocery Center REIT III (6/14/19)

NEW 2018 AND 2019 OFFERINGS:

Nuveen, LLC (1/18)

Rodin Global Property Trust (3/18)

Oaktree Capital Management (4/18)

Phillips Edison Grocery Center REIT III (5/18)

Rodin Income Trust (5/18)

Strategic Student & Senior Housing Trust (5/18)

Cottonwood Communities (8/18)

FS Credit Real Estate Income Trust (8/18)

Procaccianti Hotel REIT (8/18)

InPoint Commercial Real Estate Income (5/19)

NTRs with Limited Operations Q2 2019

Limited Operations REIT	Type	Effective Date	Investment Style	Public Gross Offering Proceeds Raised (\$ Millions)	Share Classes	Real Estate Assets Count 6/30/2019	Distributions Declared (Class A)	Debt on Balance Sheet (\$ Millions)
Cottonwood Communities, Inc.	Multifamily	8/13/2018	Core	\$50.6	A, T	1	5.00%	\$34.9
InPoint Commercial Real Estate Income, Inc.	Debt	5/3/2019	Debt	\$0.6	A, T, S, D, I	27 Loans	7.68%	\$361.8
Oaktree Real Estate Income Trust, Inc.	Diversified	4/30/2018	Core	\$0.0	T, S, D, I	1 JV, 1 Loan	NA	\$44.1
Phillips Edison Grocery Center REIT III, Inc. (to merge with PECO Q4 2019)	Retail	5/8/2018	Core	\$4.4	A, T, I	3 + JV	6.00%	\$20.5
Strategic Student & Senior Housing Trust, Inc.	Std. & Senior Hsg.	5/1/2018	Core	\$5.2	A, T, W, Y, Z	6	6.00%	\$207.2

Quarterly Metric Trends

Industry Statistics for All NTRs		Q2 2019 Medians	Q1 2019 Medians	Q4 2018 Medians	Q3 2018 Medians	
Gross Equity Raised Since Inception (\$ Millions)	Open REITs	116.0	\$104.5	\$100.0	\$110.4	
	Closed REITs	724.8	\$735.1	\$566.0	\$773.5	
Gross Equity Raised Q1 2019 (\$ Millions)	Open REITs	14.8	\$14.8	\$9.7	\$11.0	
	Closed REITs		\$0.0	\$0.0	\$0.0	
Total Assets (\$000s)	Open REITs	319.1	\$276.9	\$278.0	\$227.6	
	Closed REITs	1013.5	\$1,031.7	\$796.4	\$1,138.6	
Cash and Equivalents (\$000s)	Open REITs	16.2	\$9.3	\$10.0	\$9.6	
	Closed REITs	34.0	\$39.4	\$29.6	\$48.6	
FFO Payout Ratio-YTD*	Open REITs	87%	82%	127%	105%	← Improving
	Closed REITs	128%	127%	113%	112%	
MFFO Payout Ratio-YTD*	Open REITs	96%	95%	110%	119%	← Increasing
	Closed REITs	117%	119%	117%	117%	← Constant
Debt Ratios	Open REITs	48%	43%	41%	51%	← Increasing
	Closed REITs	52%	53%	53%	52%	
Interest Coverage Ratio-YTD*	Open REITs	2.0	2.1	3.1	2.6	← Decreasing
	Closed REITs	2.5	2.4	1.9	2.7	← Increasing

*Excluding REITs with "Not Meaningful" or "NA"

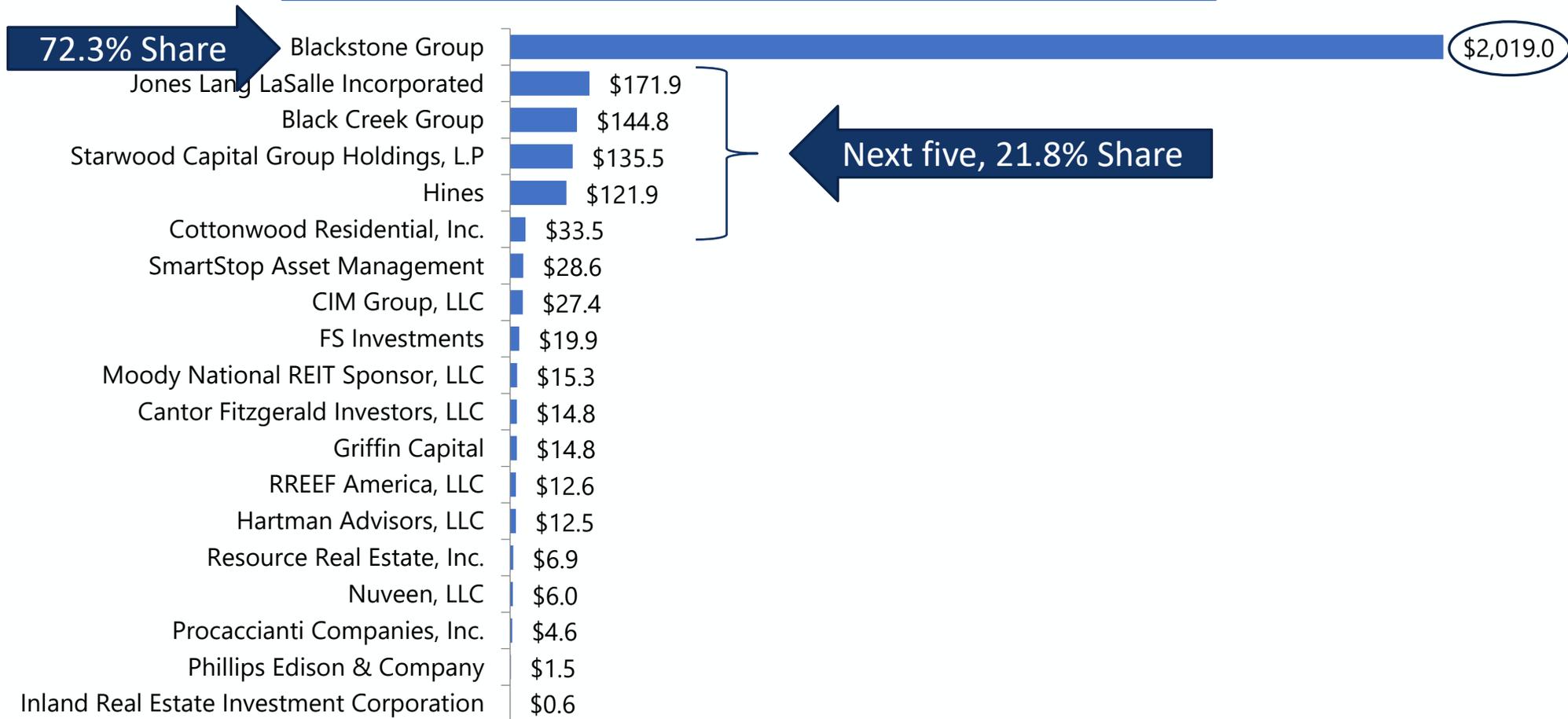
NTR Full-Cycle Events in YTD 2019

Nontraded REIT	Date of Inception	Date of Full Liquidity Event	Liquidity Event Type	Initial Offering Price	Estimated Full-Cycle Value
American Finance Trust, Inc.	4/4/13	1/9/19	Class B-2 shares converted to Class A shares	\$ 25.00	\$ 15.00
American Realty Capital - Retail Centers of America, Inc.	8/18/11	1/9/19	Due to merger with AFIN, full-cycle with AFIN	\$ 10.00	\$ 5.78
American Realty Capital Healthcare REIT III, Inc.	8/20/14	3/7/19	Liquidation of assets	\$ 25.00	\$ 18.04
Strategic Storage Growth Trust, Inc.	1/20/15	1/24/19	Merger w Inc.	\$ 10.00	\$ 12.00



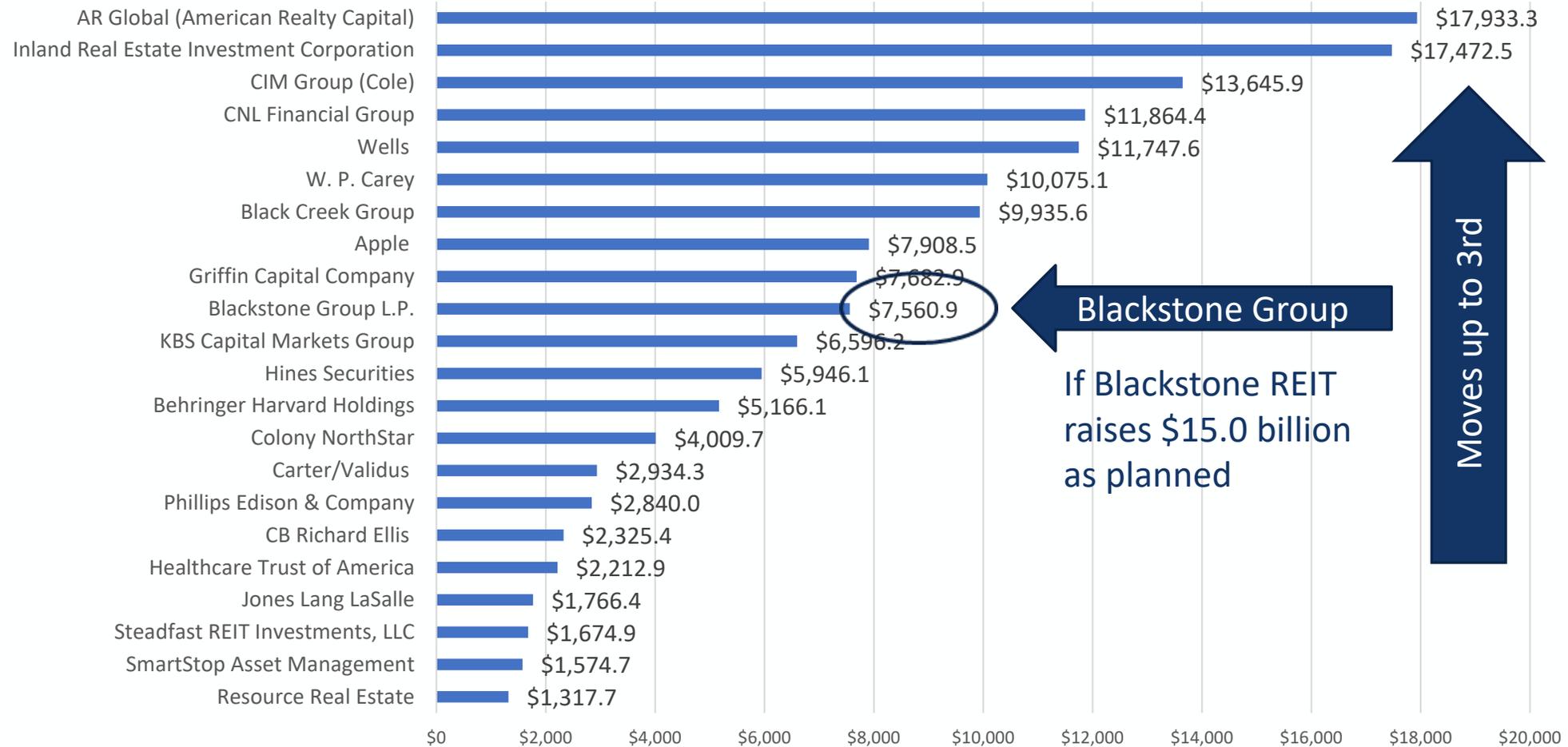
Sales by NTR Sponsors

Nontraded REIT Capital Raise, by Sponsor (in \$ Millions)
(2Q 2019)



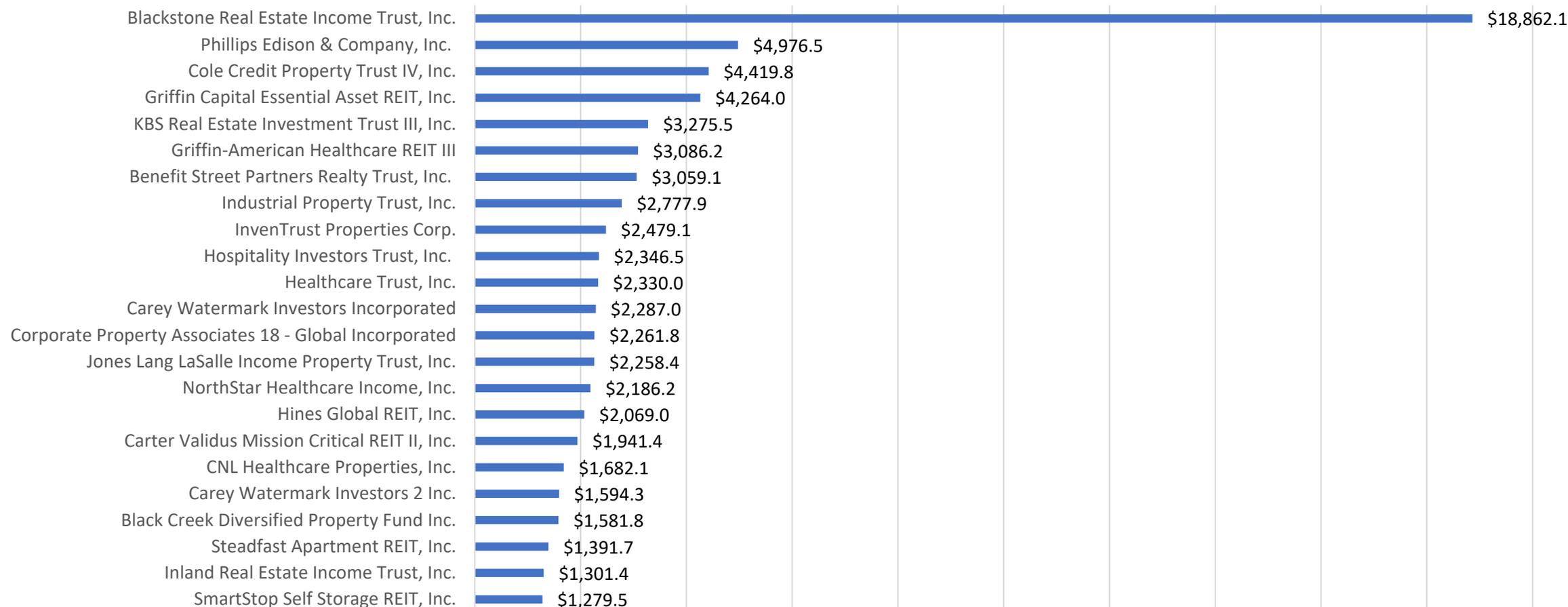
Sales by NTR Sponsors

NTR Capital Raise by Sponsors Since 1990
(YTD In Millions, Sponsors with > \$1.0 Billion)



Largest Nontraded REITs by Total Assets (\$ Millions)

NTRs with More Than \$1.2 Billion in Total Assets
(as of June 30, 2019)



Continuous Offerings

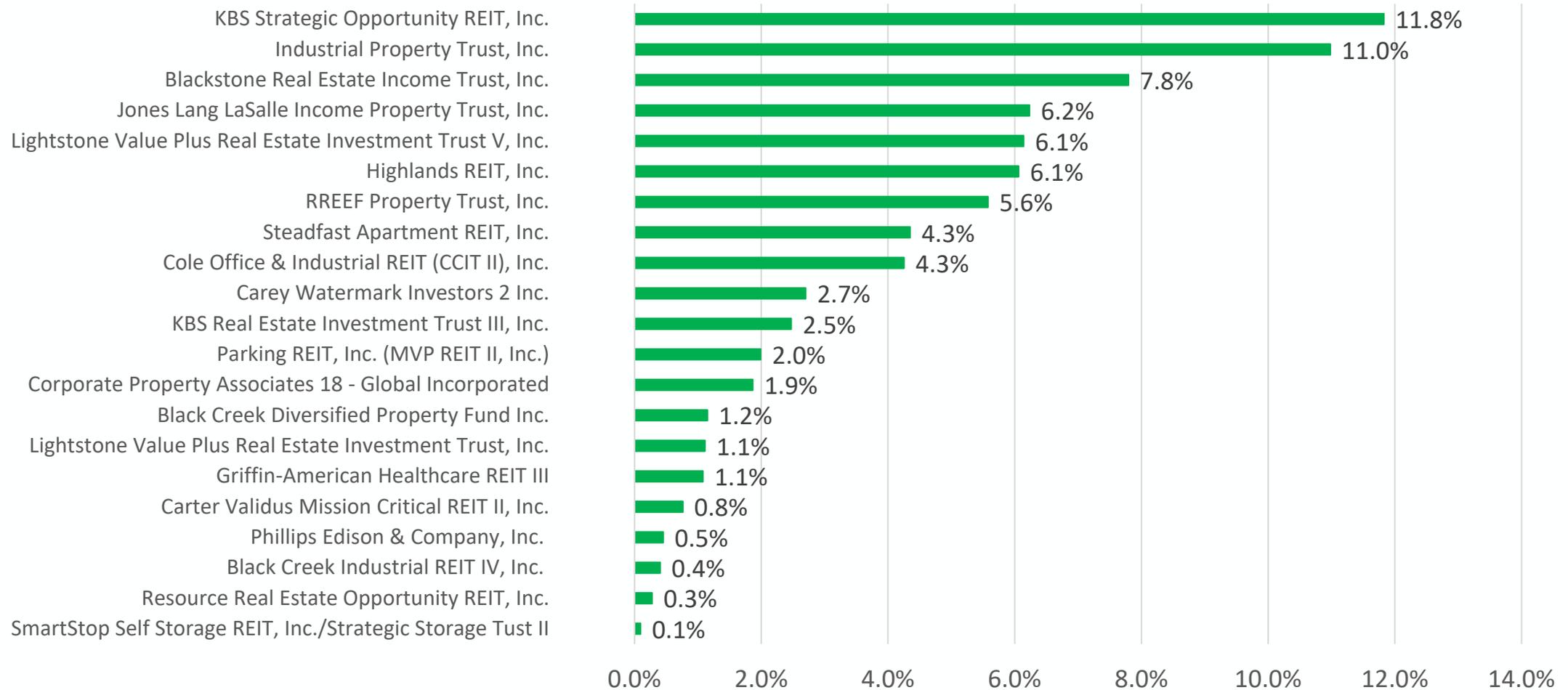
Nontraded REIT	Type	LifeStage	Sponsor and/or Advisor	NAV Cycle	Offering Type
Blackstone Real Estate Income Trust, Inc.	Diversified	Growth	Blackstone Group	Monthly	Initial
CIM Income NAV, Inc. (formerly Cole REIS (Daily NAV))	Diversified	Growth	CIM Group	Daily	Follow-On
Griffin Capital Essential Asset REIT, Inc.	Diversified	Growth	Griffin Capital Corporation	Daily	Follow-On
Hines Global Income Trust, Inc.	Diversified	Growth	Hines Securities	Monthly	Follow-On
Starwood Real Estate Income Trust, Inc.	Diversified	Growth	Starwood Capital Group Holdings, L.P	Monthly	Initial
Nuveen Global Cities REIT, Inc.	Diversified	Limited Ops	Nuveen, LLC	Monthly	Initial
Black Creek Diversified Property Fund Inc.	Diversified	Stabilizing	Black Creek Group	Daily	Follow-On
Black Creek Industrial REIT IV, Inc.	Industrial	Growth	Black Creek Group	Monthly	Initial
Jones Lang LaSalle Income Property Trust, Inc.	Diversified	Stabilizing	Jones Lang LaSalle Incorporated	Daily	Follow-On
RREEF Property Trust, Inc.	Diversified	Stabilizing	RREEF America, LLC	Daily	Follow-On

Estimated Returns for Continuous Offerings

REIT	Class	NAV as of 12/31/2018	NAV as of 6/30/2019	% Change in NAV	2019 Distribution Yield	YTD 2019 Estimated Return
Black Creek Diversified Property Fund Inc.	I	\$ 7.4377	\$ 7.30	-1.85%	5.14%	0.72%
Black Creek Industrial REIT IV, Inc.	I	\$ 10.0571	\$ 10.0583	0.01%	5.42%	2.72%
Blackstone Real Estate Income Trust, Inc.	I	\$ 10.7984	\$ 11.08	2.61%	5.78%	5.50%
CIM Income NAV, Inc.	I	\$ 18.25	\$ 18.04	-1.15%	5.35%	1.52%
Griffin Capital Essential Asset REIT, Inc.	S	\$ 9.69	\$ 9.64	-0.52%	5.72%	2.34%
Hines Global Income Trust, Inc.	I	\$ 10.10	\$ 10.15	0.50%	6.18%	3.59%
Jones Lang LaSalle Income Property Trust, Inc.	M-I	\$ 12.13	\$ 12.18	0.41%	4.15%	2.49%
RREEF Property Trust, Inc.	I	\$ 14.16	\$ 14.42	1.84%	5.18%	4.43%

Positive Changes in NAVs*

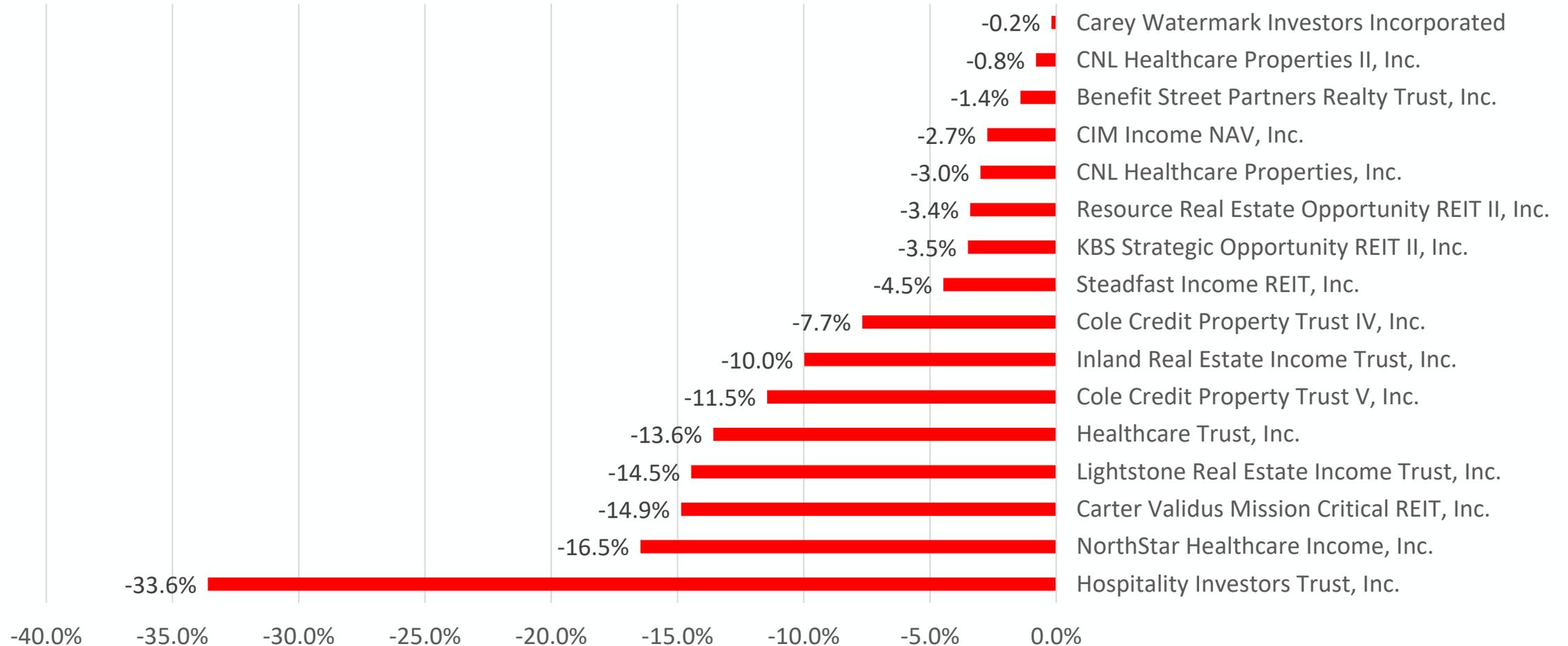
(from Q2 2018 to Q2 2019)



*NAV per share for one share class only, “as of” dates vary for most NTRs

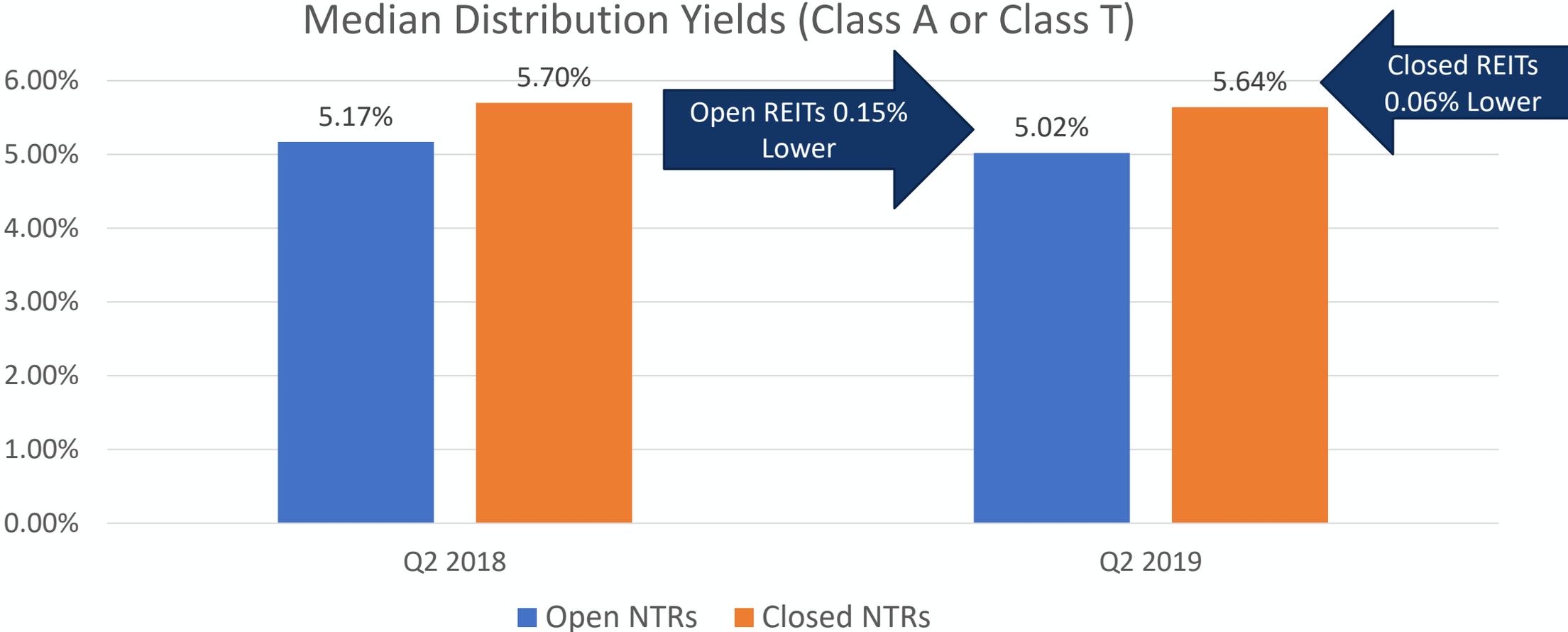
Negative Changes in NAVs*

(from Q2 2018 to Q2 2019)



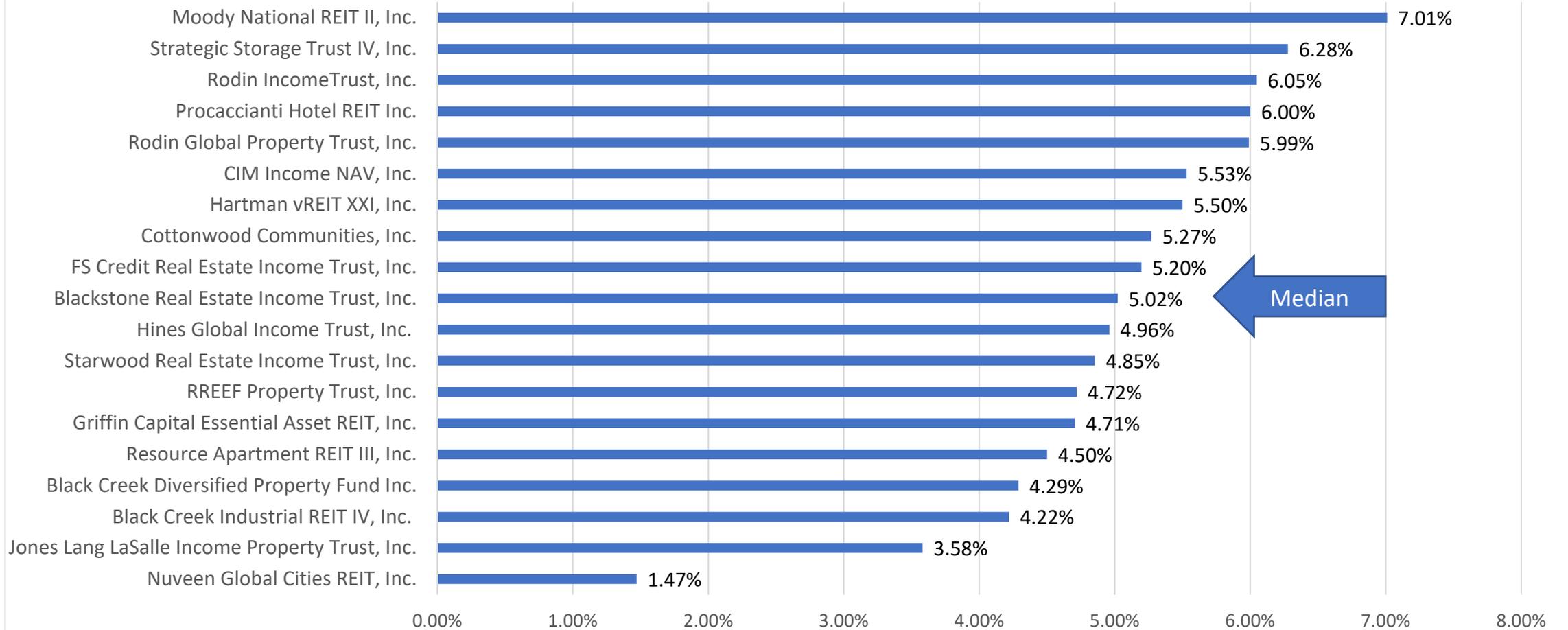
*NAV per share for one share class only, "as of" dates vary for most NTRs

Distribution Yield Trends

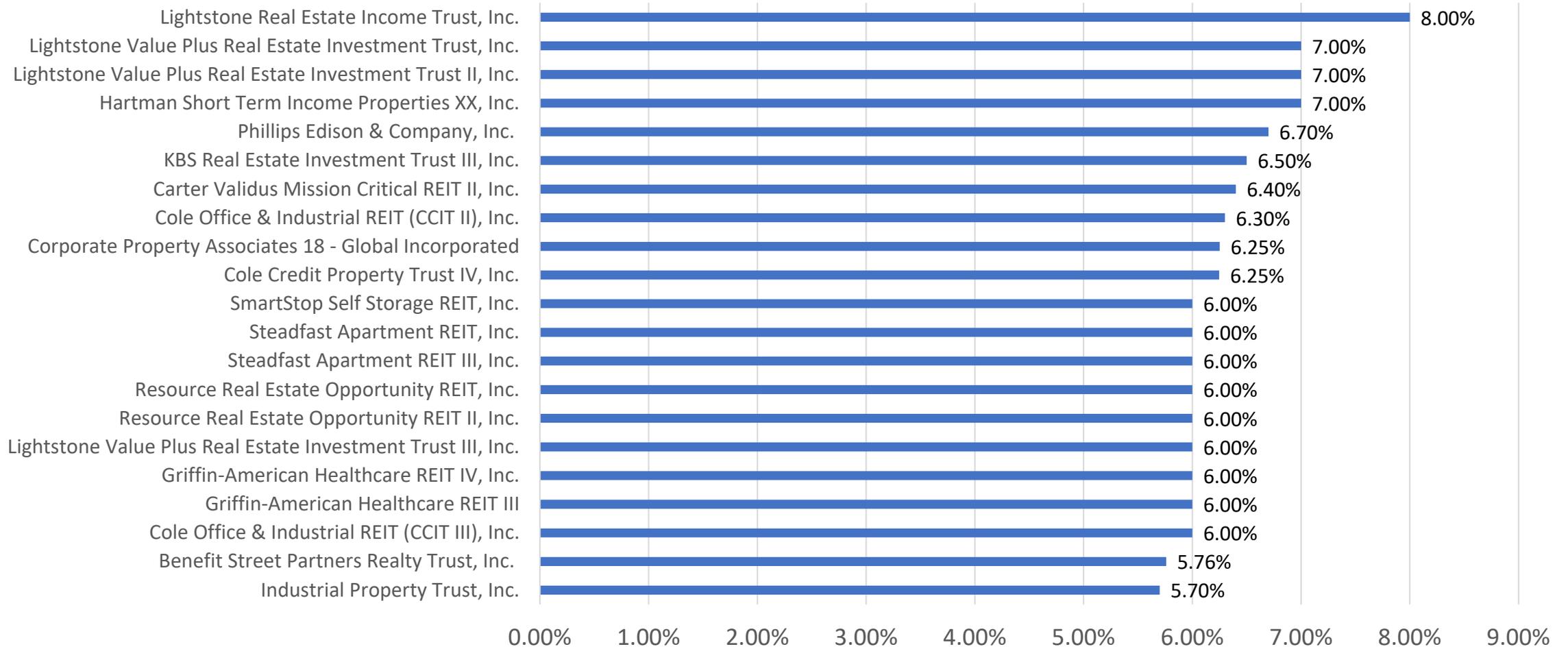


Distribution Yields, for Open Nontraded REITs (Class A, Class T, Class R or Class K)

(as of June 30, 2019)

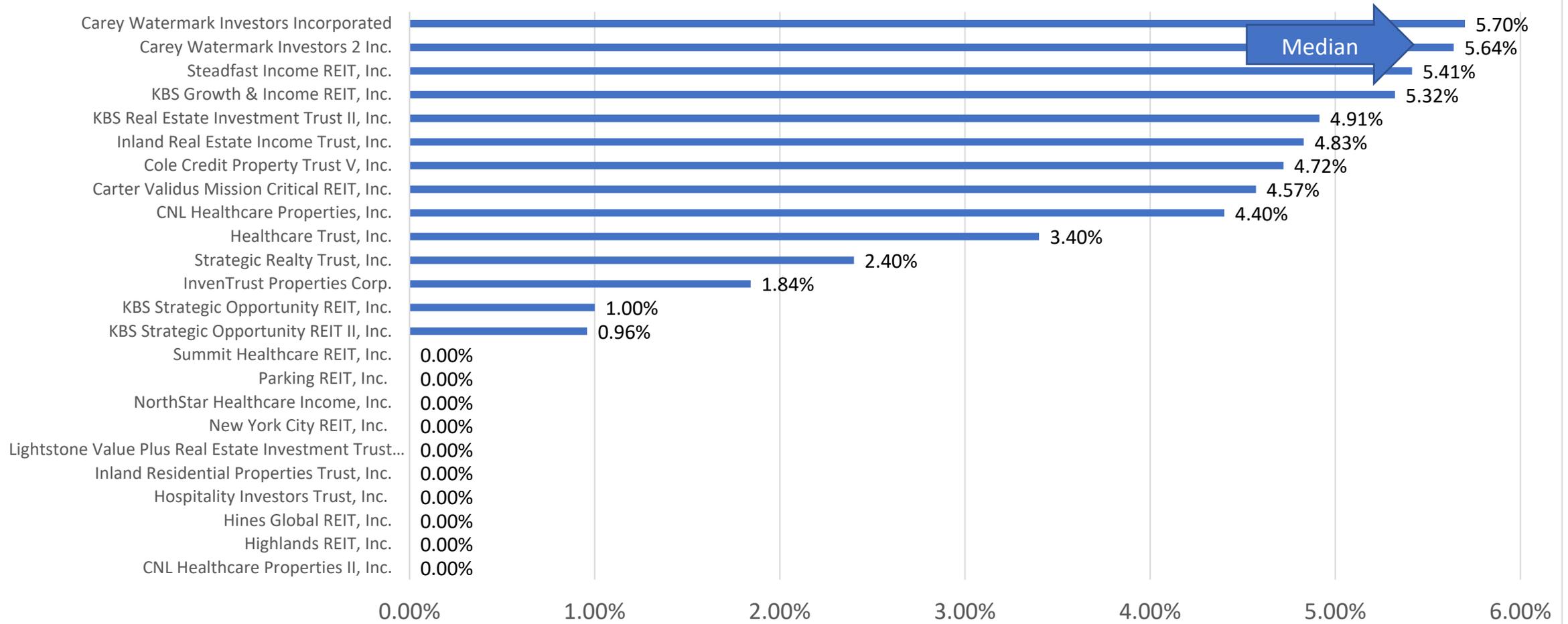


Distribution Yields, for Closed Nontraded REITs (Class A or Class T) (as of June 30, 2019)



Continued

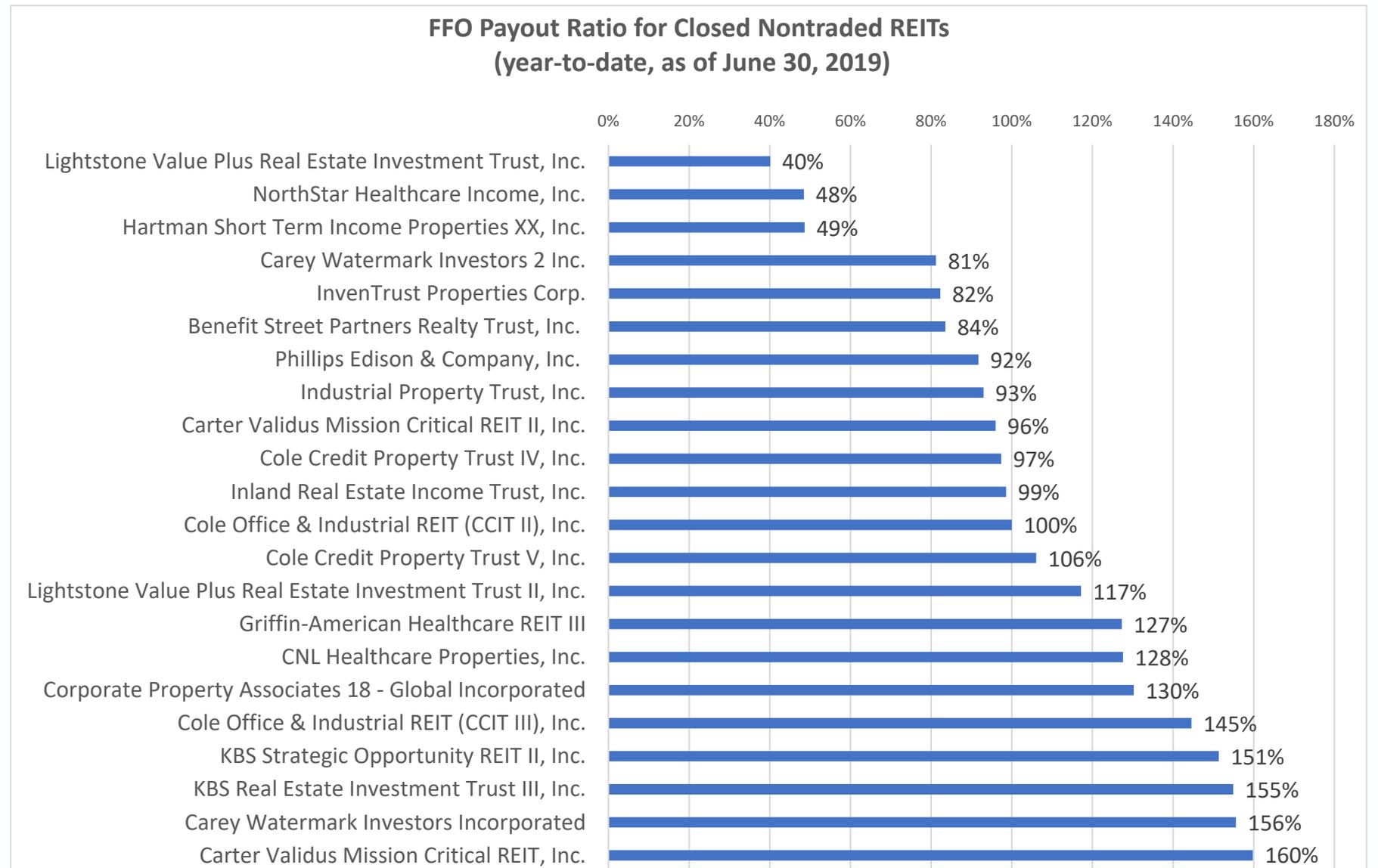
**Distribution Yields, for Closed Nontraded REITs (Class A or Class T)
(as of June 30, 2019)**



FFO Payout Ratios – Closed REITs

See individual REIT report pages for MFFO payout ratios (2015 thru Q2 2019).

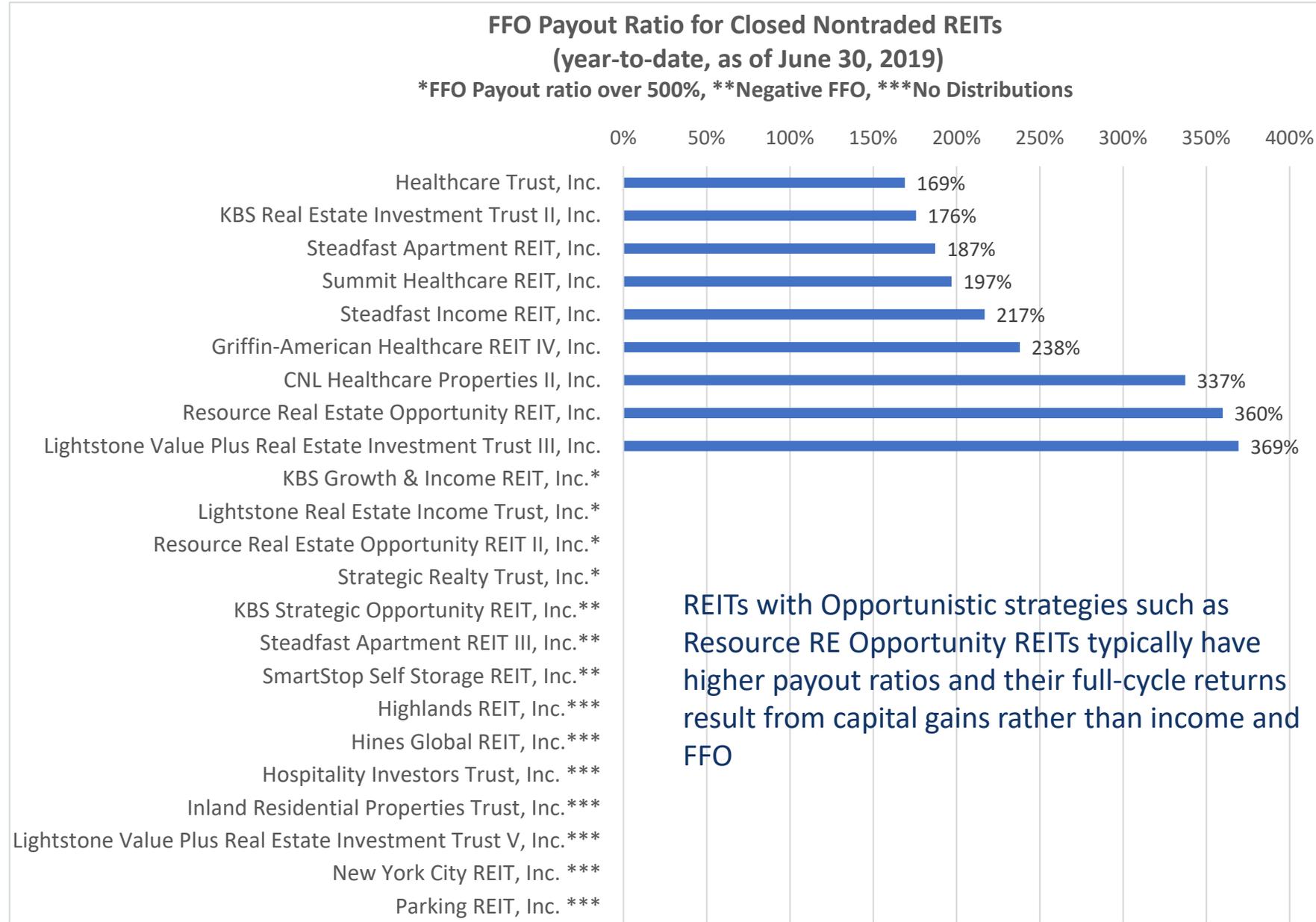
MFFO payout ratios are reported based upon both total distributions including DRIP proceeds and cash distributions only.



FFO Payout Ratios – Closed REITs (continued)

See individual REIT report pages for MFFO payout ratios (2015 thru Q1 2019)

MFFO payout ratios are reported based upon both total distributions including DRIP proceeds and cash distributions only.

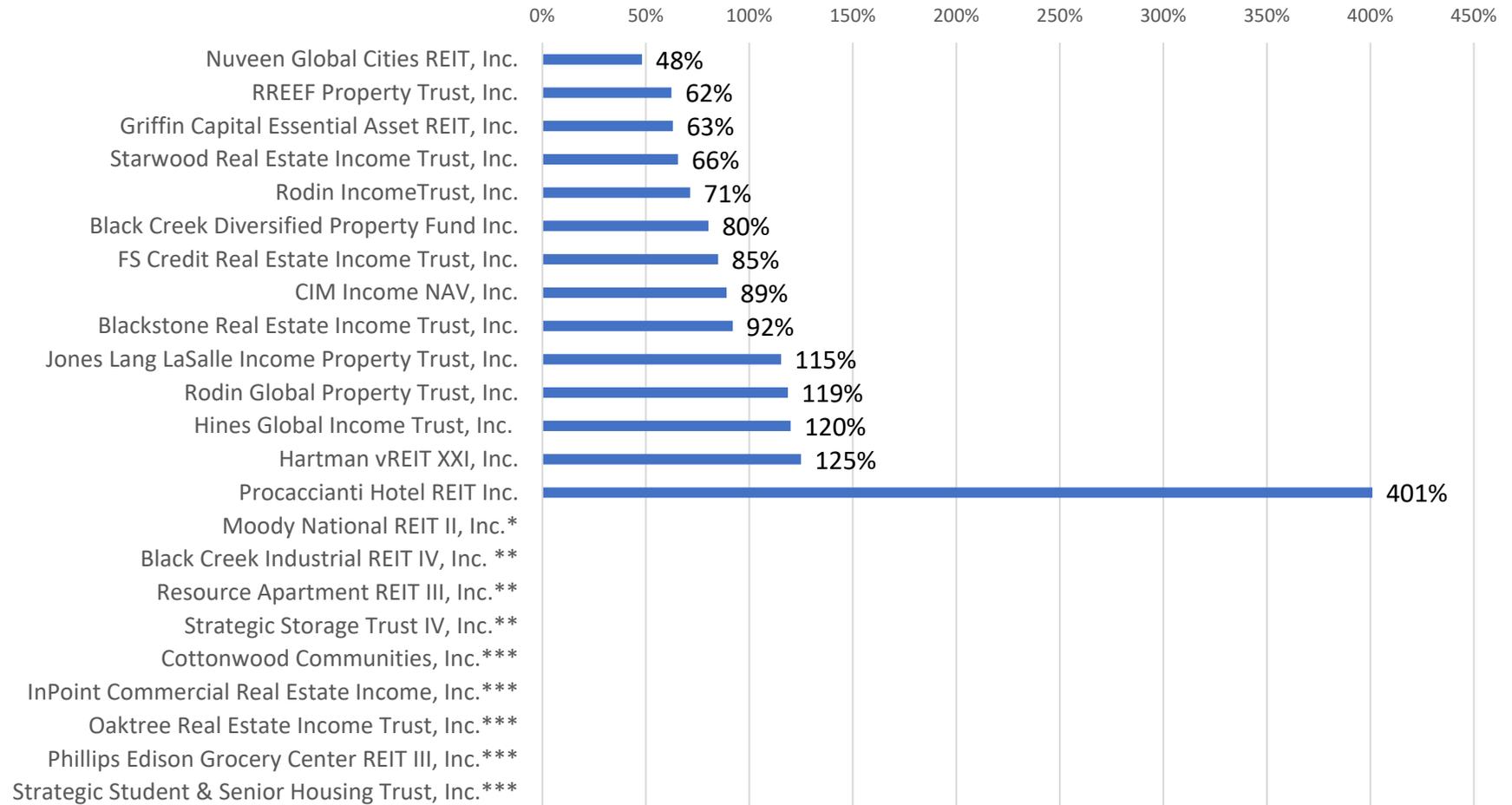


FFO Payout Ratios- Open REITs

FFO Payout Ratio, for Open Nontraded REITs

(year-to-date, as of June 30, 2019)

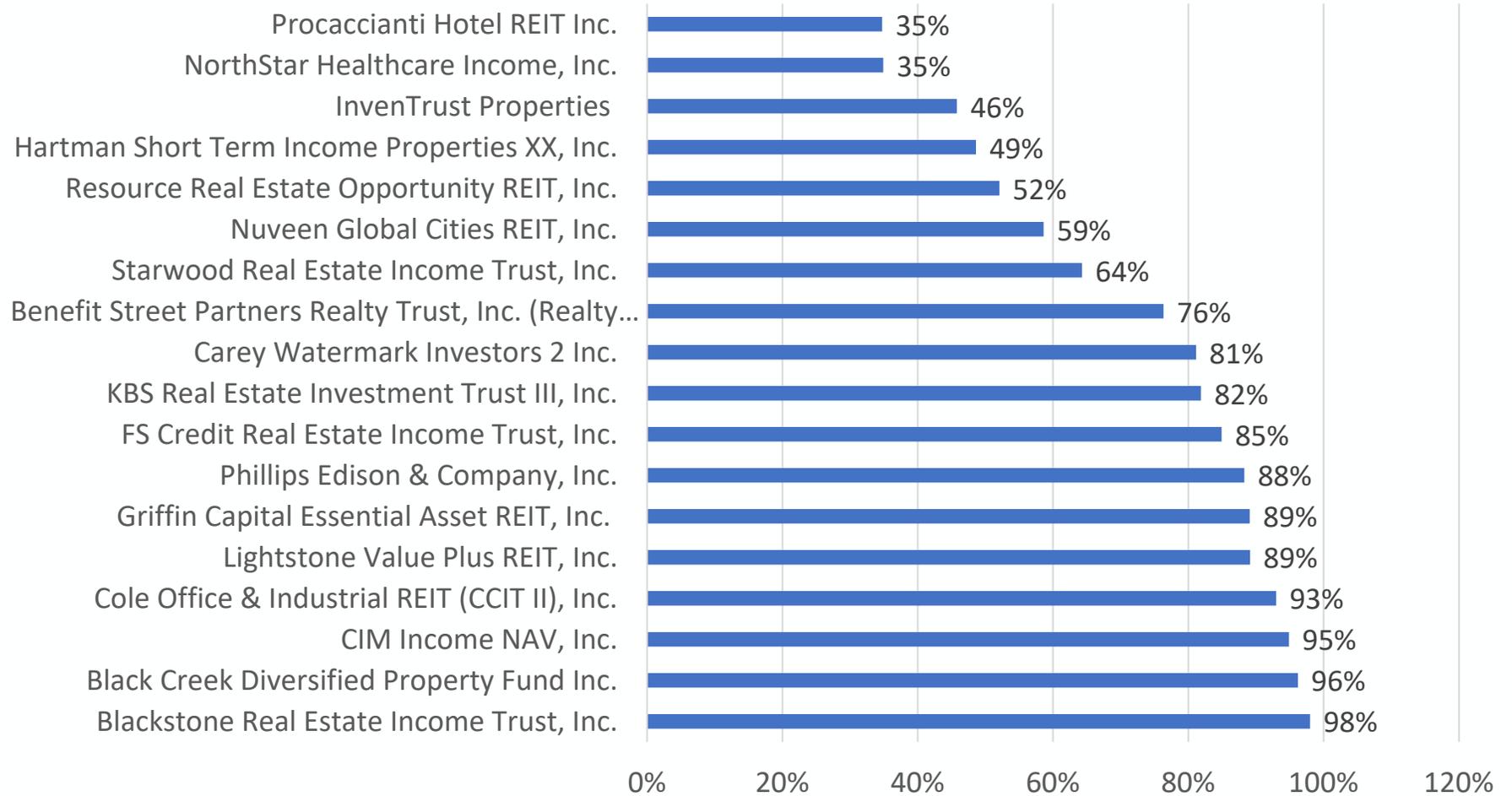
* FFO Payout ratio over 500% ** Negative FFO ***NA



YTD MFFO Payout Ratios

Q2 2019 YTD Lowest MFFO Payout Ratios

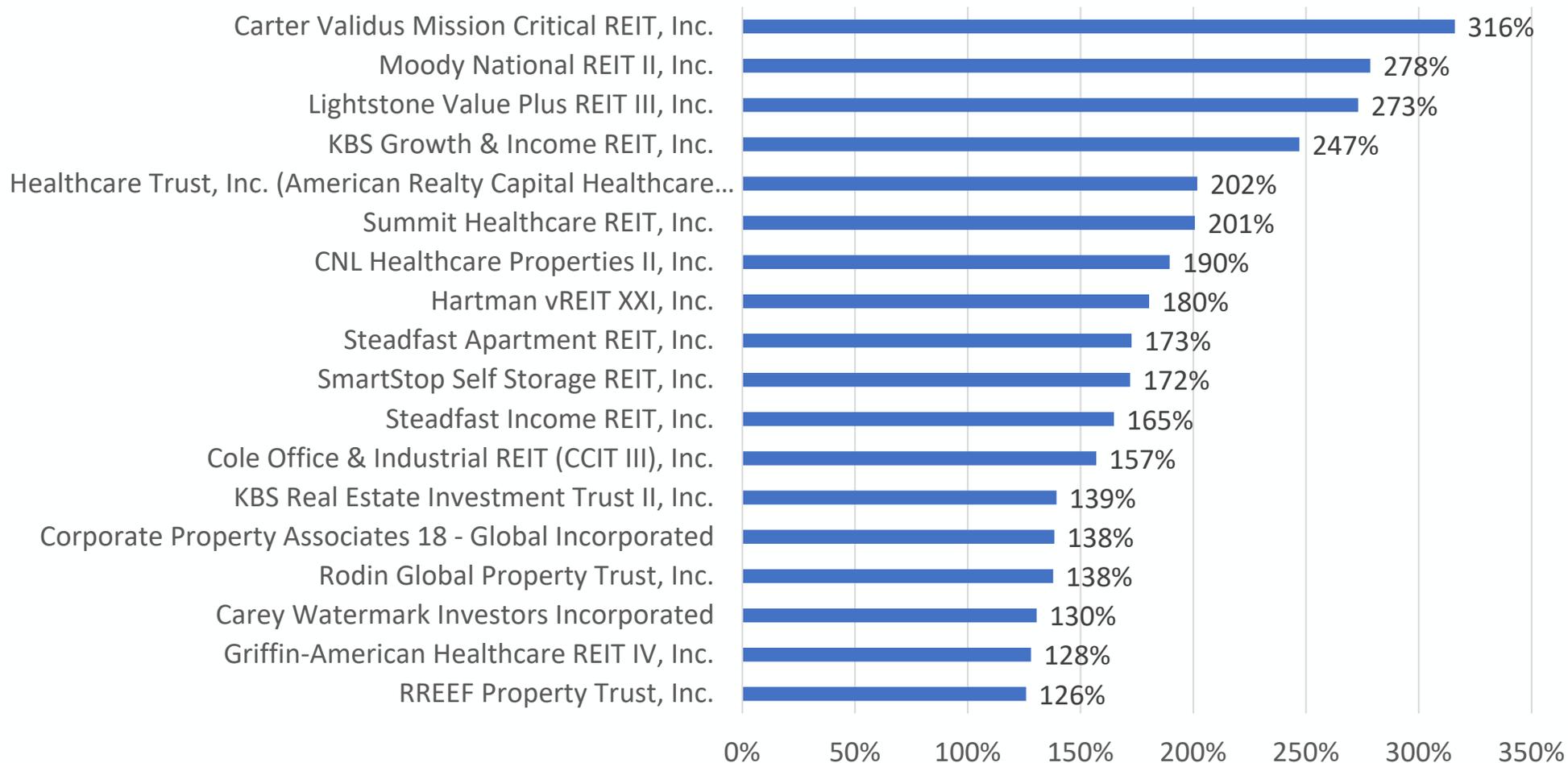
(Excluding NTRs Without Distributions)



YTD MFFO Payout Ratios

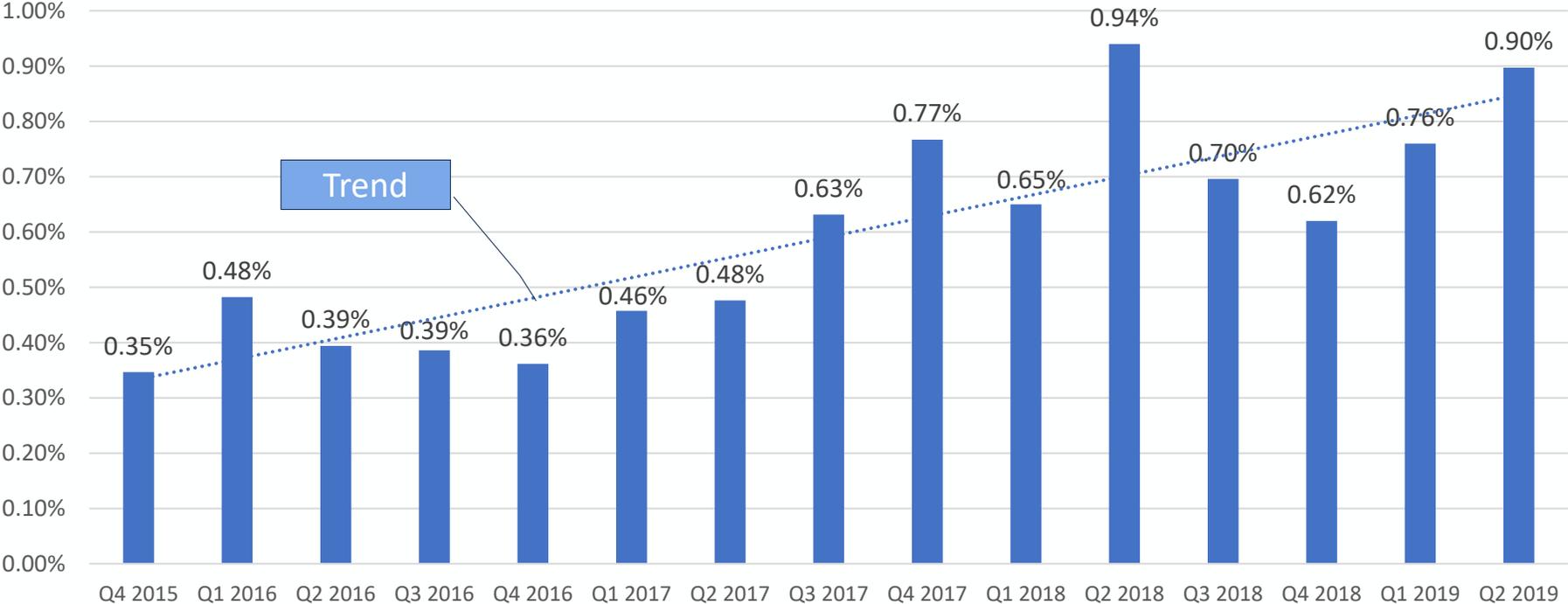
Q2 2019 YTD Highest MFFO Payout Ratios

Excluding MFFO Payout Ratios over 500% and Negative MFFO



NTR Redemption Trends*

Average Share Redemption Rates
Quarterly Percentage of Outstanding Shares



* Among NTR programs with active SRP programs only, excluding self tender offers

Nontraded BDCs Q2 2019

Nontraded BDC Quarterly Review

BDC Industry Review: Second Quarter 2019



Metric Definitions and Explanations

A Portfolio Details

Includes a summary of the portfolio holdings for the current period as reported on the BDC's balance sheet. Items categorized as investments include debt investments, preferred equity, common equity and other short-term investments. Cash and Cash Equivalents include cash on the balance sheet and other cash-like liquid assets.

This section also includes a current overview of the BDC's investment strategy as it relates to the types of investments it makes, the industries the fund is focused on and the size of companies the fund plans to invest in. Specifics found in this section include the number of portfolio companies and the investment management advisor. Also included is whether the fund employs a Total Return Swap (TRS) and the value of the assets in the TRS.

The initial offering date is defined as the date the BDC was considered "effective" by the SEC and began raising money in its public offering. The number of months effective indicates how long the BDC has been raising capital, while the anticipated close date is the date the BDC anticipates closing the BDC to new investments. The public offering price and reinvestment price per share are based on prices as of the end of the quarter being reported.

B Net Asset Value (NAV) Per Share

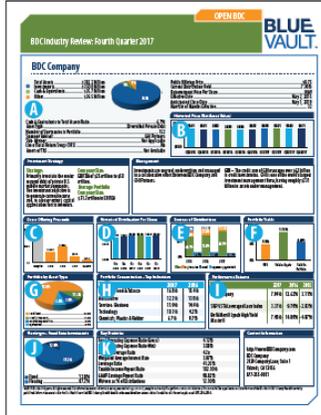
The result of the fair value of total assets less total liabilities divided by the total number of shares outstanding. This figure is reported publicly by the BDC at least every quarter.

C Gross Offering Proceeds

Defined as the sales of nontraded BDC shares plus shares purchased through dividend reinvestment plans during the public offering.

D Current Distribution Rate and Historical Distributions

The current distribution rate is calculated based on annualized distributions and the public offering price as of quarter-end. Historical distributions show the actual distributions paid per share in dollars over the past six quarters.



E Sources of Distributions

Note — Comparisons may differ due to some funds using GAAP numbers while others use tax numbers when showing sources of distributions. In funds showing taxable income sources of distributions, unpaid incentive fees and other fees may show as "Other" for sources of distributions.

Net Investment Income — Income earned from investments during the quarter or year less investment and operating expenses. Expense support or the reimbursement of expense support may be subtracted from or added, respectively, to operating expenses. This portion of income is the recurring portion and should represent a majority of distributions.

Capital Gains — Gains or losses from investments that were sold in the quarter or year. Although it is an important component of income to the fund, capital gains can be unpredictable and may not be consistent from quarter to quarter.

BDC Industry Review: Second Quarter 2019



Full-Cycle BDC Update

FS Investment Corporation

FS Investment Corporation was the first nontraded BDC in existence, which began operations in 2009. On April 16, 2014, the BDC was listed on the New York Stock Exchange under the symbol "FSIC". The stock closed at \$5.44 on December 18, 2018, the last day of trading prior to the acquisition of Corporate Capital Trust.

Corporate Capital Trust

Corporate Capital Trust began operations in 2011. On November 14, 2017, shares began trading on the New York Stock Exchange under the symbol "CCT". The stock closed at \$12.88 on December 18, 2018, the last day of trading prior to its acquisition by FS Investment Corporation.

FS KKR Capital Corp

On December 19, 2018, FS Investment Corporation ("FSIC") completed its acquisition and merged with Corporate Capital Trust ("CCT"). In accordance with the merger, each outstanding share of CCT common stock was converted into the right to receive 2.3552 shares of FSIC common stock, with CCT stockholders receiving cash in lieu of fractional shares of FSIC common stock. Following the completion of the merger, the merged BDC was renamed FS KKR Capital Corp. and began trading on the NYSE under the ticker symbol "FSK". The stock closed at \$5.36 on December 19, 2018, the date the merger was completed. Since the merger on December 19, 2018 and through August 30, 2019, the stock has a range of \$5.09-\$6.64, closing at \$5.65 on August 30, 2019.

Griffin Capital BDC Corp. Transition

On September 29, 2017, Griffin Capital BDC Corp. ("Griffin BDC") transferred all of its assets to Griffin Institutional Access Credit Fund ("Griffin IF"), a non-diversified, closed-end management investment company that is operated as an interval fund, in exchange for Class F shares of Griffin IF. Griffin IF assumed all of the liabilities of Griffin BDC. As a result of this reorganization, all of Griffin BDC's shareholders are now shareholders of Griffin IF. Griffin BDC has cancelled all its authorized shares and is now dissolved. Prior to this reorganization, Griffin BDC reported total assets of approximately \$41.0 million with gross offering proceeds totaling approximately \$44.8 million, both as of June 30, 2017.

Ticker	FSK
Market Cap (08/30/19)	\$2.93 billion
Closing Price (08/30/19)	\$5.65
NAV per Share (06/30/19)	\$7.88
Premium/(Discount) to NAV	-28.3%
Assets Under Management	\$7.7 billion
Initial Listing Price (4/16/14)	\$10.25
Initial Offering Price	\$10.00
Annual Dividend Yield (08/30/19)	13.5%
Quarterly Dividend Per Share	\$0.19



Traded BDCs as a whole have experienced volatility for much of 2015 through 2019. The Wilshire BDC Index (AWIBDC) was down 12.46% in 2015, up 11.33% in 2016, down 8.71% in 2017, and down 11.68% in 2018. The index is up 15.07% year-to-date through August 30, 2019.

BLUE VAULT™

Nontraded BDC Industry Review Second Quarter 2019

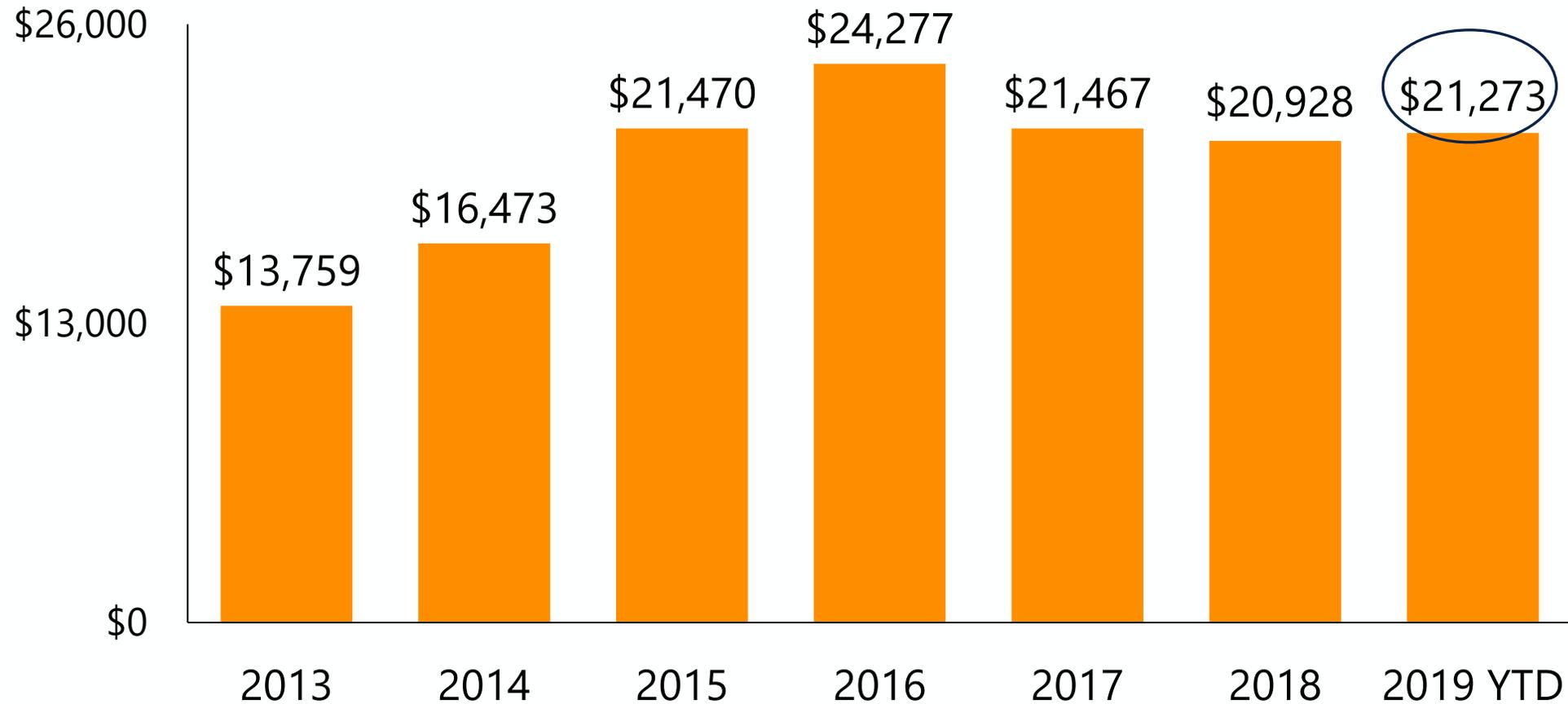


www.BlueVaultPartners.com

© 2019 Blue Vault Reports. All rights reserved. The information contained herein is not represented to be guaranteed, complete or timely. Past performance is not indicative of future results. The reproduction and distribution of the Blue Vault BDC Industry Review is strictly prohibited. Information contained in the Blue Vault Nontraded BDC Industry Review should not be considered investment advice. For additional information please call 877-256-2304.

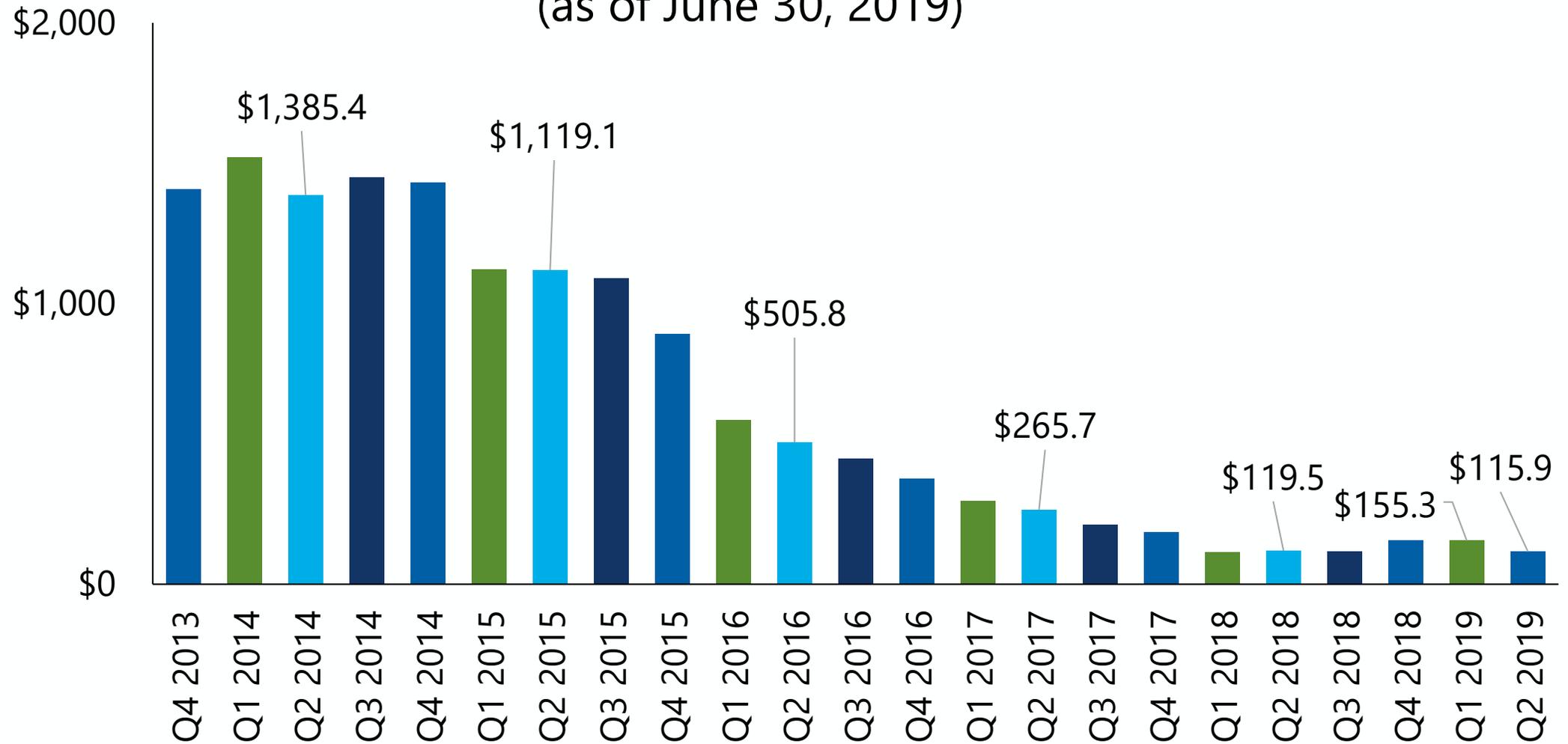
Nontraded BDCs Industry Assets

Total Industry Assets (in \$ Millions)
(as of June 30, 2019)



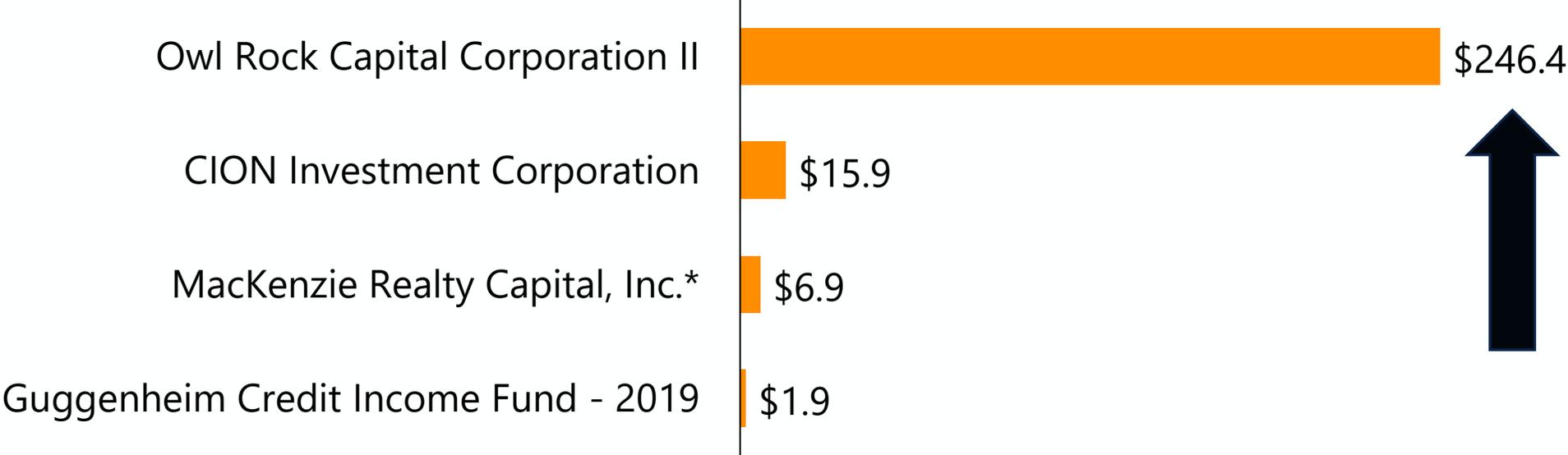
BDC Capital Raise By Quarter (in \$Millions)

(as of June 30, 2019)



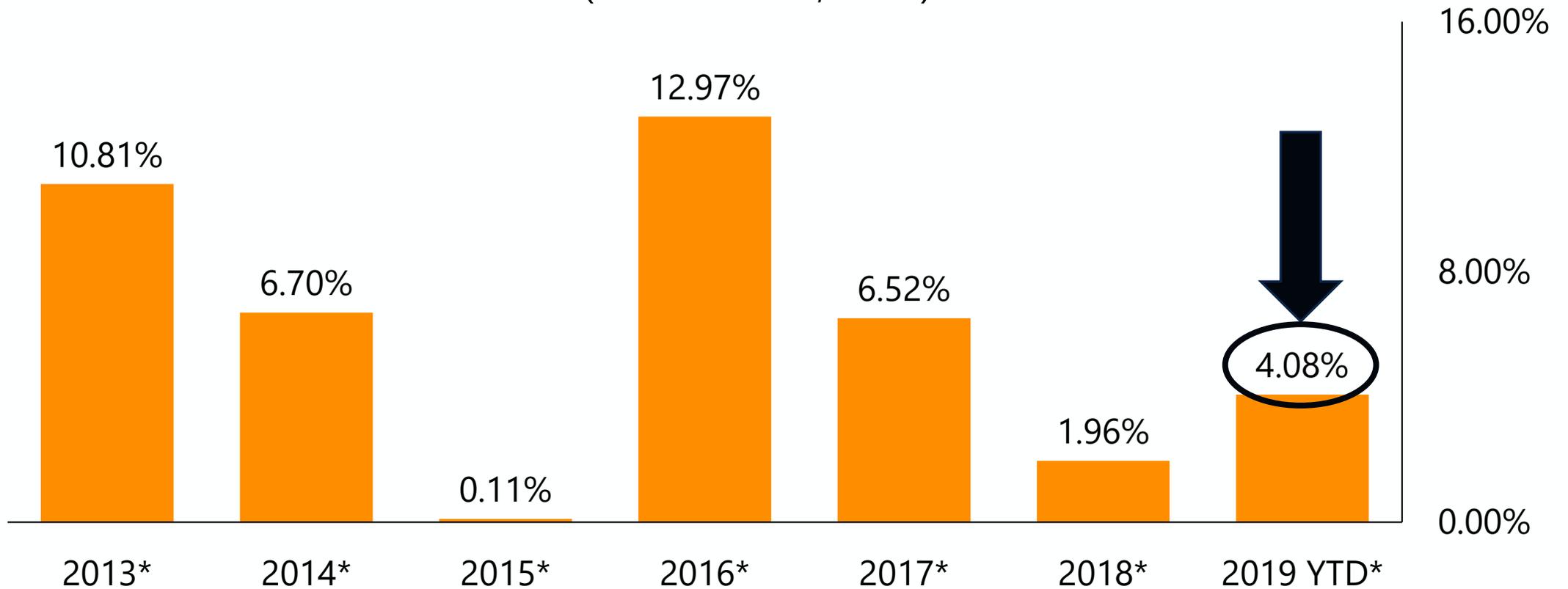
Nontraded BDCs Capital Raise by Program

2019 Capital Raise, by Nontraded BDC (in \$ Millions)
(as of June 30, 2019)



Nontraded BDCs Performance Returns

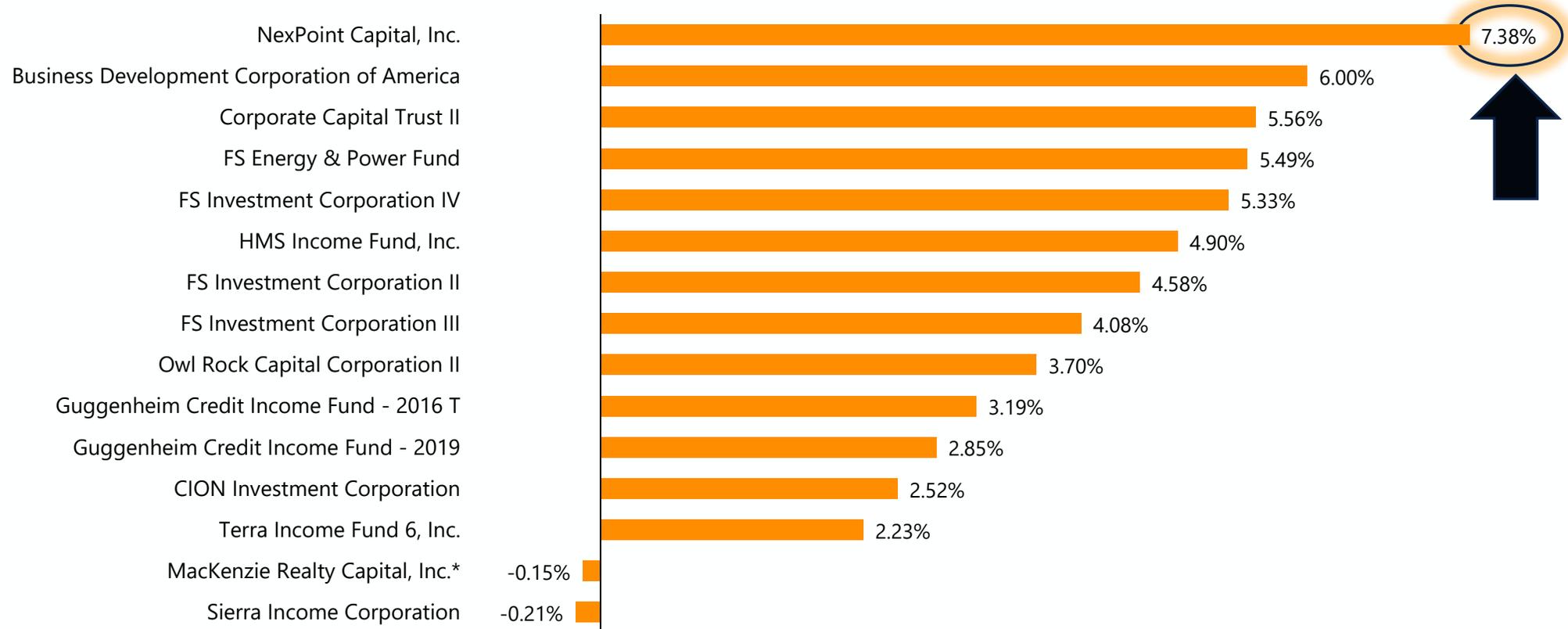
Median Total Returns of Nontraded BDCs
(Total Return of NAV + Distributions)
(as of June 30, 2019)



*MacKenzie Realty Capital, Inc. has a fiscal year ending June 30. Total returns reported above correspond to calendar

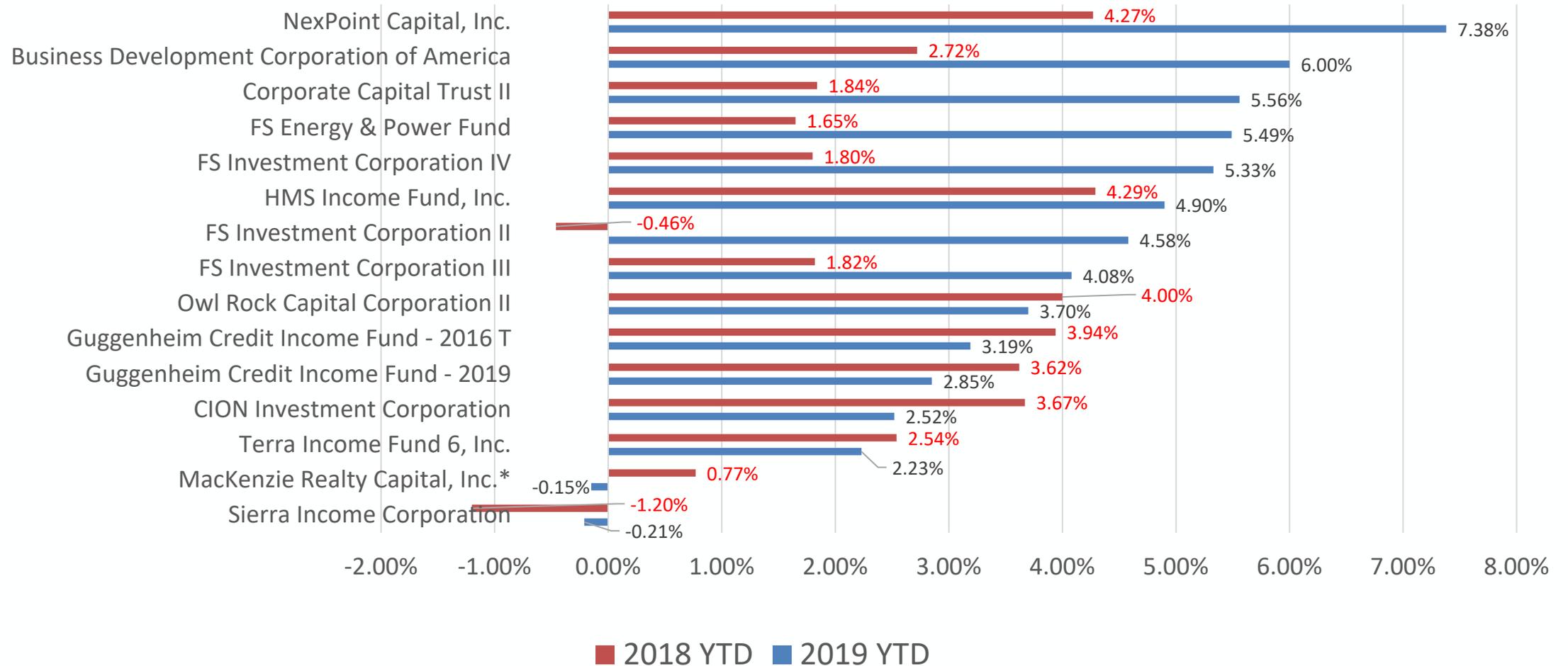
Nontraded BDCs Performance Returns

Performance Returns, by nontraded BDC
(as of June 30, 2019)



*MacKenzie Realty Capital, Inc. has a fiscal year ending June 30. All metrics reported above correspond to calendar quarters for consistency purposes. Due to the delay in filing the 10-K, 2019 YTD is three months.

BDC Year-Over-Year 6-Month Returns As of June 30, 2018 and 2019



Biggest Take-Aways for Q2 2019

- NTR Capital raise increased 82% to \$2.79 billion in Q2 from \$1.53 billion in Q1 2019
- Blackstone REIT raised \$2.02 billion in Q2 2019, over 72% of NTR capital raise
- Blackstone REIT acquired 161 properties for \$3.16 billion, 71% of all acquisitions
- CNL Healthcare Properties sold 59 properties for \$1.34 billion
- Nontraded BDC capital raise fell to \$116 million in Q2 2019 from \$155 million in Q1 2019
- Median total returns for nontraded BDCs rebound in Q2 2019 to 4.08% YTD compared to just 1.96% in 2018
- All but two nontraded BDCs had positive returns YTD 2019, and most improved from Q2 2018

Upcoming Webinars:

Performance Series Webinar:
A Deeper Look at
CIM and SmartStop

Sept. 24th at 2:00 pm EDT

Alts Series Webinar:
Nontraded REITs
2.0: Your Clients
Deserve Private
Real Estate Returns

Sept. 26th at 2:00 pm EDT

Performance Series Webinar:
A Deeper Look at
Leitbox, Sixty West
and Triton Pacific

Oct. 8th at 2:00 pm EDT

For information and registration links, go to
www.bluevaultpartners.com/event-calendar

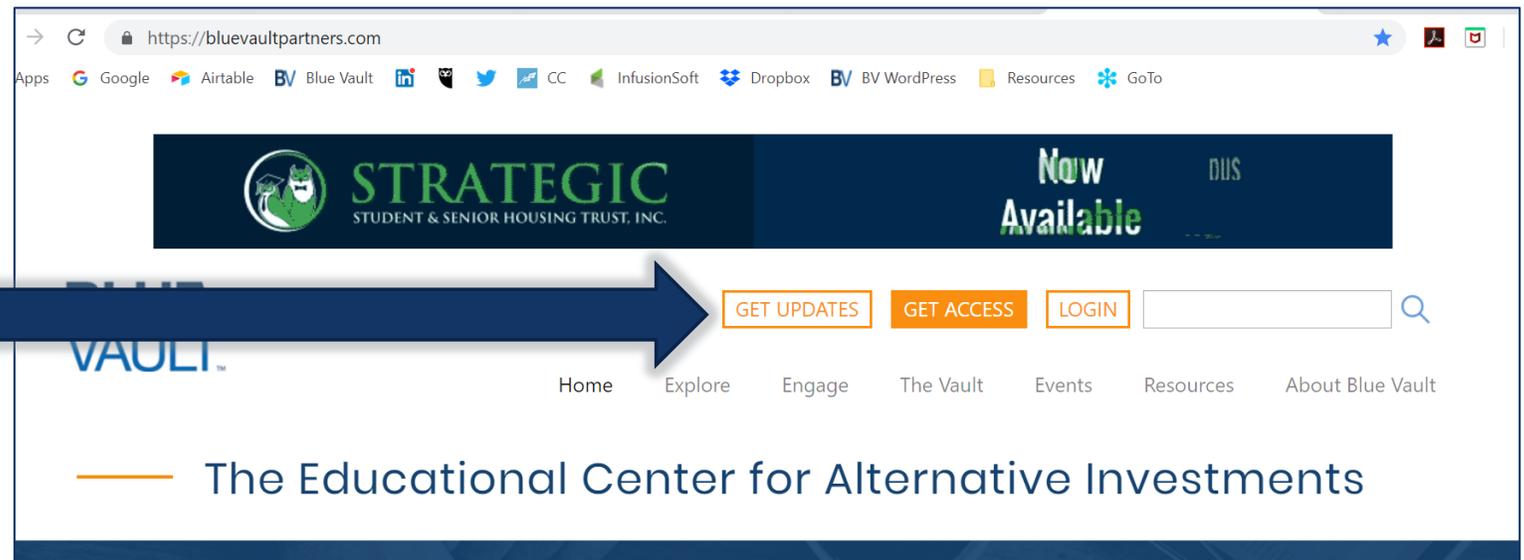
Stay Informed



Get the most relevant alternative investment industry content, including nontraded REITs, BDCs, and Closed-End Funds, Interval Funds and Private Offerings, delivered right to your inbox.

Sign-up: bluevault-1b5553.pages.infusionsoft.net

Or by visiting BlueVaultPartners.com and clicking "Get Updates"





Questions

Thank You!

To download the Blue Vault Nontraded REIT Industry Review, BDC Industry Review, and Interval Funds please visit our Blue Vault website at:

www.bluevaultpartners.com