



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).