

Financial Data as of June 30, 2016
Date Published: August 9, 2016

Company Description

Sterling Real Estate Trust was formed to invest in a portfolio of multifamily (apartment) properties. Our work for investors starts with our Mission. It declares our purpose and serves as the gold-standard against which we weigh our decisions. It is enduring and drives us to consistently look forward. Sterling strives to provide investors the opportunity of long-term ownership in lower-risk and well-managed income-producing real estate. In 2012, we celebrated ten years of serving our investor-owners.

Highlights

• Dividend Yield	6.00%
• Increase in Real Estate Income	14.84%
• Increase in Total Assets	13.33%
• Increase in Real Estate Investments	11.07%
• Total Investor-Owners	1,445
• Total Properties	153
• Liabilities to Assets	62.49%

* The following information is derived from the Form 10-Q as of June 30, 2016. Increases were calculated as the change in data from Q2 2015 to Q2 2016. The non-GAAP numbers and reconciliation are included in the Form 10-Q as of June 30, 2016.

(1) Non-GAAP Reconciliation - Please see:
<http://financial.sretrust.com/GenPage.aspx?IID=4307538&GKP=1073749374>

Recent News

8/8/16 - Sterling Real Estate Trust, announced its operating partnership, Sterling Properties, LLLP, successfully purchased Roughrider Apartments located in Grand Forks, North Dakota for a total purchase price of \$582,085 on August 1, 2016. Roughrider Apartments is comprised of one 12 unit building, and is well-located near Red River High School and Altru Hospital.

6/27/16 - Sterling Real Estate Trust announced on June 23, 2016, its Board of Trustees approved a second quarter 2016 dividend of \$0.24 per share to shareholders of record as of June 30, 2016. This dividend will be paid on July 15, 2016.

Sterling's Board of Trustees, acting as general partner of Sterling Properties, LLLP, also approved a distribution of \$0.24 per unit to Limited Partnership unitholders of record as of June 30, 2016. This distribution will be paid on July 15, 2016.

This is the 54th consecutive quarterly dividend, and 53rd consecutive distribution, paid by Sterling and equates to a 6.0% annual yield for shareholders given Sterling's current share price.

5/16/16 - Sterling Real Estate Trust announced its operating partnership, Sterling Properties, LLLP successfully closed on the purchase of a .46 acre parcel of land adjacent to Sterling's existing Stonefield Apartments property in Bismarck, North Dakota. The purchase closed on April 6, 2016 for \$45,000.

Officers and Directors

Executive Officers

Kenneth Regan Chief Executive Officer
Bradley Swenson President
Angie Stock Chief Accounting Officer

Board of Trustees

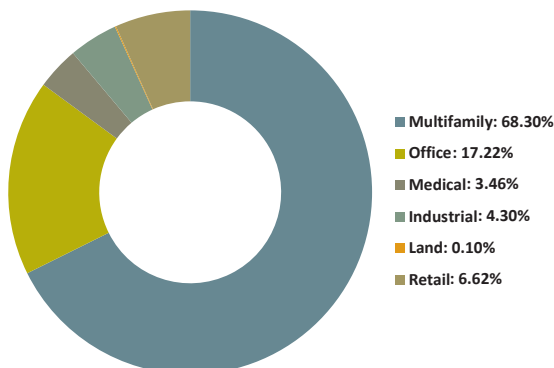
Clifford Fearing
Bruce Furness Chairman of the Board
James Hansen
Timothy Haugen
Timothy Hunt
Kenneth Regan
Richard Savageau
James Wieland
Lance Wolf

Contact Information

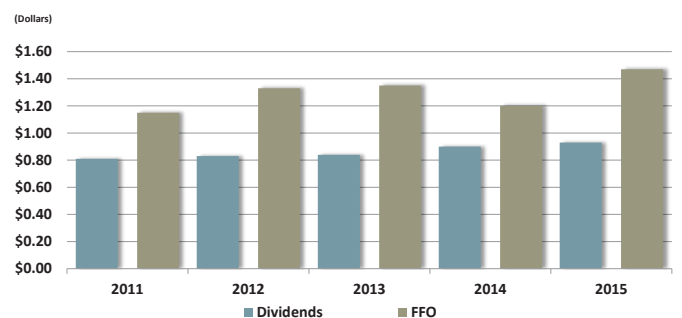
Sterling Investor Relations Coordinator
Brittaney van der Hagen
(701) 353-2729
bvanderhagen@sretrust.com

1711 Gold Drive South, Suite 100
Fargo, ND 58103
Toll Free (877) 269-1031
Fax (701) 478-8111

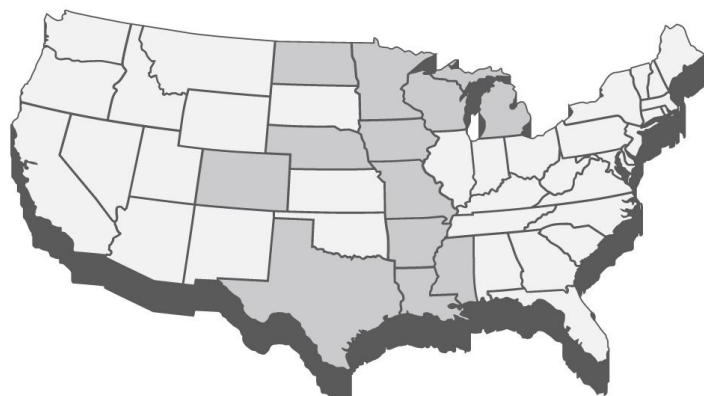
Property Mix



Dividends & FFO Per Share ⁽¹⁾



Geographic Footprint

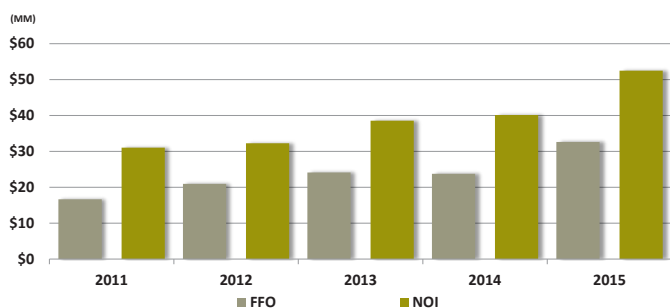


Our operating partnership, Sterling Properties, LLLP, was formed as a North Dakota limited liability limited partnership to acquire, own and operate properties on our behalf. The operating partnership holds a portfolio of multifamily dwellings located principally in the upper and central Midwest United States.

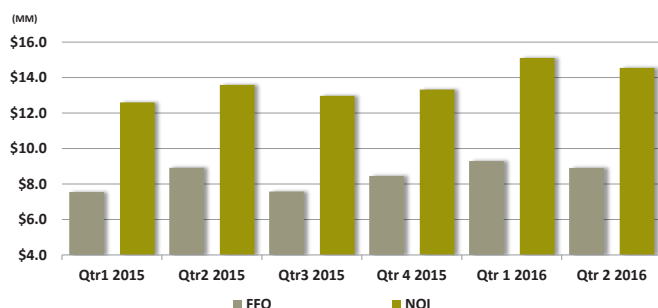
Since our formation in 2002, Sterling Real Estate Trust has built a portfolio of over 8,700 multifamily units and more than 1.7 million square feet of rentable commercial space. Our properties are geographically diverse with locations in twelve states.

Over eighty-eight percent (88.59%) of our portfolio is strategically located in North Dakota and Minnesota where the oil, agriculture and technology sectors are driving growth, property values are stable, incomes are rising and unemployment is low. Multifamily properties outside of North Dakota and Minnesota are located in communities with strong fundamentals, including one or more colleges or universities. Many of our commercial properties outside of North Dakota and Minnesota are on triple-net lease arrangements leased to credit rated tenants, such as Walgreens, Applebee's and Titan Machinery. At this time, Sterling has no plans to sell those portions of its portfolio outside the multifamily sector.

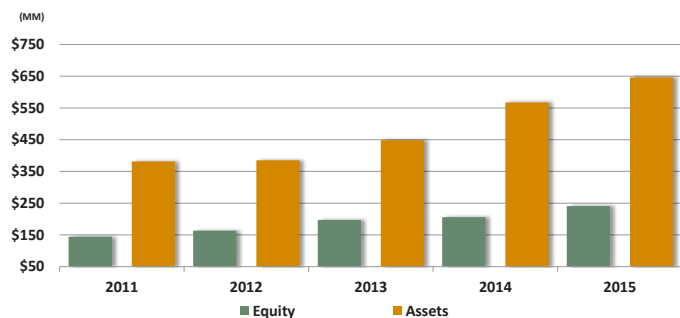
Annual Net Operating Income & Funds From Operations ⁽¹⁾



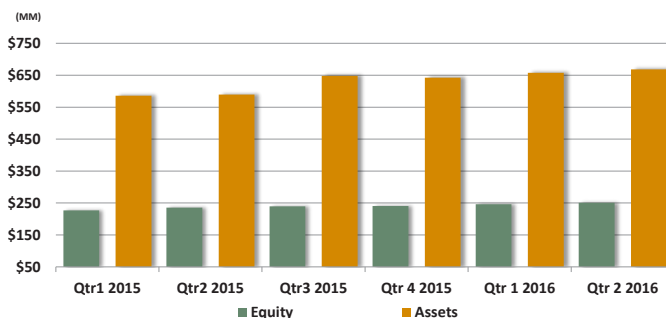
Quarterly Net Operating Income & Funds From Operations ⁽¹⁾



Annual Total Assets & Total Equity



Quarterly Total Assets & Total Equity



Investment Strategy & Objectives

Our primary investment strategy and objectives are:

- Acquire quality multifamily properties that can provide stable cash flow to our investors, preserve capital and realize long-term capital appreciation upon the sale of such properties.
- To offer an investment option in which common share value is correlated to multifamily real estate as an asset class, rather than traditional asset classes such as stocks and bonds.
- To provide a hedge against inflation through short-term and long-term lease arrangements with tenants; work to achieve scheduled rental increases throughout lease terms.