STRATEGIC REALTY TRUST

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SHAREHOLDER NEWSLETTER

November 20th, 2015

HIGHLIGHTS

- ***Closed a $79.0 million Acquisition/Joint Venture***
- ***Court Approved Securities Class Action Settlement***
- ***Special Distribution Paid to Shareholders***

Important Dates

Most Recent 10Q Filing 11/13/2015
Next 10K Filing 3/31/2016

Next Shareholder Newsletter 3/31/2016

Last Distribution Payment October 30, 2015
Next Distribution Payment 1/29/2016*

* If declared by the Board of Directors

Dear Fellow Shareholder,

We continue to make progress with the Company's strategic plan, which is intended to position the Company for a public listing of its shares in 12 to 24 months. Our plan is to:

- Build a core portfolio of high quality urban retail properties with solid growth prospects and strong predictable cash flows with visible value appreciation characteristics.
- To couple that with a value-add joint venture platform to provide higher returns and to create scale for the Company.

Joint Venture Platform

New Acquisition- SGO Minnesota Joint Venture

During the third quarter we closed our second value-add joint venture. We are very excited about the profit prospects of this 14 property portfolio. The portfolio includes 10 properties that are located in Minnesota, three in North Dakota and one in Nebraska. There are five grocery anchor centers, six strip centers, one mall and two single tenant properties. These assets have a mix of opportunities to increase cash flow and to increase value. Collectively the portfolio is 81% leased so there are numerous properties where we can increase cash flow and value through leasing. There are others with leases that are well below market rents and some with redevelopment or out parcel development opportunities.

SRT's investment represents 10% of the equity for the venture. Glenborough provided 10% and Oaktree Capital Management (our partner in our first JV) provided the remaining 80%. The purchase price was $79.0 million and we financed the purchase with a $51.6 million loan from Bank of America, which includes additional loan funds of $3.3 million for tenant improvements, leasing commission and capital expenditures for the portfolio. The interest rate is approximately 2.60% (Libor plus 2.35%). We are forecasting low double digit cash flow returns and mid to high teens total returns.

Letter to Shareholders Cont'd

Sample properties in the portfolio include:

West Village Center
Chanhassen/Minneapolis, MN

West Village Center - Chanhassen/Minneapolis, MN
- Byerly's anchored center built in 1994. 138,000 SF and 99% leased
- Strong affluent submarket – represents 36% of total portfolio value
- Significant below market leases


West Lake Center
Forest Lake/Minneapolis, MN

West Lake Center – Forest Lake/Minneapolis, MN
- Aldi anchored center built in 1988. 107,000 SF and 65% leased
- Lease-up opportunity and redevelopment of out parcels


South Pond Center
Champlin/Minneapolis, MN

South Pond Center – Champlin/Minneapolis MN
- Strip center built in 1988. 26,000 SF and 75% leased
- Affluent submarket
- Lease-up opportunity

SGO Retail – Our First Joint Venture

Our first joint venture closed in March 2015 and is performing well and producing strong cash flow. Occupancy has increased from 78% to 80%. At Osceola in Orlando, we sold a 1.2 acre pad to 7-Eleven to develop a new store and completed a build to suit for PEP Boys, which opened in September, which added 5,500 sf to the center.

In the shopping center portion of Aurora Commons in suburban Cleveland, we commenced a major renovation of the façade and sign band for the line shops and the refurbishment of the street monument signage. At the office building at Aurora Commons we completed an interior renovation of the common areas of which has allowed us to achieve new rents approximately 30% higher than before.

Wholly Owned Portfolio

Occupancy in our wholly owned property portfolio was 90% at quarter end. In the third quarter we renewed nine leases totaling 20,000 square feet and saw rents increase on average 12%. We are now beginning to recycle the equity from the existing properties into to new high quality west coast urban assets. In October, we sold Moreno Marketplace in Moreno Valley, CA for $19,400,000, Northgate in Tucson, AZ for $12,800,000 and Summit Point in Fayetteville, GA for $19,600,000.

These three assets sold for a combined price of $ 51,800,000, which is $1,000,000 more than the most recent appraisal values. The three properties were purchased for a total of $38,800,000 not including closing cost and fees. In addition, during our period of ownership, we invested an additional $1,506,000 in these properties in the form of leasing costs and capital improvements. We are now in a position to recycle this equity into high quality urban retail assets to further the Company's transformation and we are actively pursuing new acquisitions.

We continue to see reductions in overhead costs for the Company, which are down 23% year to date of over last year. We are very pleased with our overall progress. As the largest shareholder, our goals are aligned with yours and we will continue to work diligently to create shareholder value.

Andrew Batinovich
CEO

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Securities Class Action Settlement Approved By Court

In October of 2015 the Company received court approval of the previously announced settlement of the class action securities litigation that it was defending. As we have discussed in past newsletters and SEC filings, the Company, its former advisor and several of its current and former directors were named in a lawsuit filed in September of 2013, alleging certain violations of securities laws related to the Company's share offering documents prior to closing the offering in February 2013 under the former advisor. This Settlement is not an admission by the Company of any liability or wrongdoing, but was reached to avoid the costs and risks to the Company and its shareholders of continuing the lawsuit. You should have received a Notice of Pendency of Class Action and Proposed Settlement. A copy has been posted on our website www.srtreit.com under the Investors tab.

When will the Settlement be paid out and how much will I receive? It is expected that settlement proceeds will be sent to eligible shareholders sometime in the first quarter of 2016. Settlement proceeds are $5,000,000 before reduction of court-awarded attorneys' fees and expenses and administrative costs; actual results will vary depending on class participation, settlement expenses and other factors described in the Notice. The Plaintiffs' counsel will receive 25% of the settlement amount ($1,250,000) as fees, plus $50,000 in expense reimbursements, as well as estimated administrative costs of $24,000. Using the Plaintiffs' estimate and assuming those costs and legal fees are accurate, the resulting settlement payment per damaged share would be approximately 43¢ per share.

How does this impact the Company? The Company agreed to the Settlement as a solution to end the ongoing effort and expense of defending the lawsuit, and to minimize the future risks related to the lawsuit. The Company has incurred legal expenses in connection with the defense of this matter. ***However, the entire $5,000,000 settlement fund has been paid by the Company's insurers, and not funded by the Company.***

What do I need to do? All shareholders who purchased shares in the Company between September 23, 2010 and February 7, 2013 are eligible to participate in the class. If you purchased shares prior to that date, you are not eligible. To collect your share of the settlement proceeds, **you do not need to take any action.** If you want further information on whether or not you are included in the class, you may call 888-706-3408 or visit www.srtclassaction.com. This number and link will connect you to the Plaintiffs that are administering the Settlement proceeds.

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Special Distribution Paid to Shareholders

As previously announced, on November 4, 2015 the Company paid out a special distribution (the “Special Distribution”) of $2,248,000 on our common shares. This amounts to approximately 20.6¢ per share for shareholders of record as of August 10, 2015. This action was taken to remedy an insufficient distribution of taxable income under the tax rules applicable to REITs, caused by an underreporting of taxable income on the Company’s 2011 federal income tax return, related to the acquisition of the Constitution Trail property under the prior advisor. Total amounts paid in cash by the Company was $449,600, which is 20% of the total amount of the Special Distribution. The balance was paid in the form of Company stock. Each shareholder received either all stock or stock and a portion of the distribution in cash depending on the shareholder’s ballot election.

We, along with our new tax advisors, have obtained for the Company a private letter ruling from the Internal Revenue Service validating the mechanics of the Special Distribution. By taking this step the Company will remedy the prior errors, preserve our REIT status, and allow us to put this issue behind us.

In addition the Company issued a quarterly cash distribution of 6¢ per common share on October 30, 2015 to shareholders of record on September 30, 2015.

Did this Special Distribution dilute the value of my holdings? No. As a result of this Special Distribution, there are more shares outstanding while the Company’s Total Net Asset Value did not change. Accordingly, the value per share goes from $6.81 to $6.57; however, you were issued additional shares and cash to offset this reduction. While the value per share may be lower, you will receive cash and/or stock for the difference. This is necessary to solve this legacy tax problem.

Forward-Looking Statements

This newsletter contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are identified by the use of the words “hope,” “could,” “believe,” “expect,” “anticipate,” “estimate,” “will,” “contemplate,” “would” and similar expressions that contemplate future events. Such forward-looking statements are based on management’s reasonable current assumptions and expectations. Numerous important factors, risks and uncertainties, including, but not limited to, those contained in our documents and reports filed with the Securities and Exchange Commission (the “SEC”), affect our operating results and could cause our actual results, levels of activity, performance or achievement to differ materially from the results expressed or implied by these or any other forward-looking statements made by us or on our behalf. There can be no assurance that future results will meet expectations. Factors that might cause our results to vary include (i) our ability to generate profits and/or low double digit cash flow returns and mid to high teen total returns in the SGO MN Joint Venture; (ii) our inability to use proceeds from the sale of properties as part of the asset recycling program to invest in high quality urban assets; and (iii) the market for public REITs not being conducive for a public listing. You should carefully review the cautionary statements described in the documents and reports we file from time to time with the SEC, specifically our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on any forward-looking statements contained in this letter, which reflect management’s opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements.