



2019

ANNUAL
REPORT



SR REALTY TRUST

A Schafer Richardson Company

INVEST + PROTECT + GROW



Disclaimer

This annual report contains forward-looking statements. These forward-looking statements include, in particular, statements about our plans, strategies and prospects. These statements are based on our current expectations and projections about future events. The words 'may,' 'will,' 'should,' 'expect,' 'scheduled,' 'plan,' 'seek,' 'intend,' 'anticipate,' 'believe,' 'estimate,' 'aim,' 'potential' or 'continue' or the negative of those terms or other similar expressions are intended to identify forward-looking statements and information. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their respective dates. These forward-looking statements are based on assumptions and estimates by our management that, although we believe to be reasonable, are inherently uncertain and subject to risks that could cause actual results to differ from historical results or those anticipated or predicted by our forward-looking statements. In light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this presentation may not, in fact, occur. We undertake no obligation to update or revise any forward-looking statement after the date of this brochure as a result of new information, future events or otherwise, except as required by law. We qualify all of our forward-looking statements by these cautionary statements.

The information contained in this annual report was obtained from the Company, its management and other sources. Any statements, data, estimates, or projections contained herein have been prepared by the Company in conjunction with management and may involve elements of subjective judgment and analysis that may or may not prove to be accurate. While the information contained herein is believed to be reliable, the Company and its representatives, by delivery hereof, does not make any representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

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ABOUT SR REALTY TRUST

April 1, 2020

SR Realty Trust Inc. ('SRRT') is a private real estate investment trust formed in 2014 for the purpose of investing in a diversified portfolio of commercial real estate properties and other real estate assets. Our portfolio consists of office, industrial, retail and multi-family properties located throughout the Upper Midwest.

We hold all of our assets through an operating partnership we control as general partner. Therefore, we are organized as an Umbrella Partnership Real Estate Investment Trust (UPREIT).

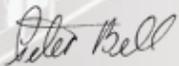
SR REALTY TRUSTS INVESTMENT OBJECTIVES:

To preserve and
protect shareholders'
capital

To pay consistent
dividends

To deliver long-term
capital appreciation

 **SR REALTY TRUST**
A Schafer Richardson Company



Peter Bell
Director



James W. Hansen
Director



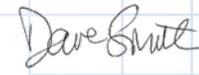
Steven G. Norcutt
COO, President, Director



N. Christopher Richardson
Secretary, Director



Bradley J. Schafer
CEO, Chairman



David W. Smith
Director



Jeffrey L. Wright
Director

CHAIRMAN'S LETTER

April 1, 2020

DEAR SHAREHOLDER:

On September 15, 2019, SR Realty Trust turned five years old. We appreciate every one of our partners' contributions to its success.

2019 highlights include:

- Total annual shareholder return of 10.5%
- Acquisitions totaling nearly 890,000 square feet
- 46% growth in Funds From Operations (FFO)
- Year-end loan to market value of 49%
- Total portfolio value of \$185 million ⁽¹⁾

The real estate capital markets continued to be challenging as investor demand outpaced the supply of quality real estate assets. However, as mentioned in last year's Chairman's Letter, there were some short-term market inefficiencies which we were able to exploit. In addition to the 500,000 square foot industrial asset acquired in the first quarter of 2019, we also acquired an 8,000 square foot mixed-use building in Saint Paul, a partial tenant-in-common interest in a 73,000 square foot single-tenant office building in Davenport, Iowa, both in July, and an interest in a 303,000 square foot industrial property located in Kansas City, Missouri in November. We also completed four UPREIT transactions where tenant-in-common partners contributed their interests in assets in which we had acquired partial interests previously in 2017 and 2018. We made two new joint-venture investments into Viridium and The Barnum apartments, both Class A apartment projects in the Minneapolis market. Finally, in January 2020 we acquired a partial tenant-in-common interest in a 224,000 square foot net leased property in suburban Milwaukee.

We sold our joint-venture interests in the Parkway Off Central Apartments in February and our interest in Eastwood Ridge Apartments in September. Another JV investment, the Fisk Building, has been stabilized and we received our initial investment back via a refinance in February 2020 while maintaining our ownership interest.

I had expected to tell you how optimistic we were about our prospects for 2020, and despite competitive pressures and a low-growth economy, we were going to have a good year. As you all now know, COVID-19 has created a worldwide health and economic crisis,

(1) Including both owned and managed assets

and the impacts are still accelerating as of this date. As some of you also know, real estate tends to be a lagging indicator. As of this writing, the impacts of this global phenomena on SR Realty Trust have been relatively modest. However, we do expect economic conditions to further deteriorate over the coming weeks and months and these conditions will impact our financial performance in ways that we cannot yet determine.

The good news is the Company is well capitalized and conservatively leveraged. We also have a well-diversified portfolio of national, regional and local tenants with whom we are in daily contact. We have taken steps to conserve cash by renegotiating some repayment terms with our lenders, deferred discretionary capital improvements and are watching operating costs closely. We are optimistic that these severe financial headwinds will dissipate in the coming months and the economy, aided by several trillion dollars of federal stimulus, will thrive. We expect the Company to be well positioned when economic conditions allow us to again move forward.

I am pleased to share that Tom Mott joined the Company as Vice President, Asset Management. Tom is responsible for overseeing the leasing, capital planning, and the execution of property management of SR Realty Trust's portfolio. Tom brings over 25 years of experience in commercial property and asset management.

Ben Christianson has also joined the Company as a Senior Financial Analyst. Ben has responsibility for maintaining the Company's corporate financial models and assists in the underwriting of prospective acquisitions.

Thank you very much for your continued interest in, and support of, SR Realty Trust.



Bradley J. Schafer
Chairman / Chief Executive Officer

2019
annual report

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05

FISK BUILDING



FISK BUILDING

FIRE STATION



PERFORMANCE HIGHLIGHTS

RENTAL REVENUE (in millions)



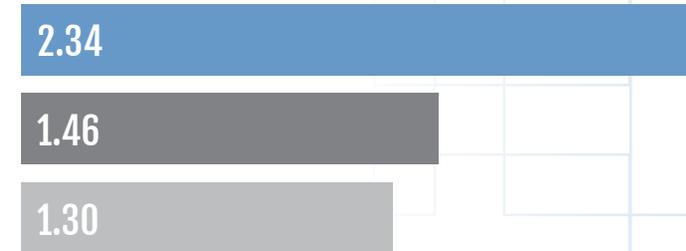
NOI (in millions)



DIVIDENDS PER SHARE



PORTFOLIO SQUARE FEET (in millions)



TOTAL ASSET VALUE (in millions)



LOAN-TO-VALUE RATIO



FINANCIAL HIGHLIGHTS ⁽¹⁾

10.5%
TOTAL RETURN ⁽⁶⁾

\$3.8 million
TOTAL DIVIDENDS PAID

4.2%
SHARE PRICE
APPRECIATION

49%
LOAN-TO-VALUE

2.34 million
PORTFOLIO
SQUARE FOOTAGE

Year ended December 31 (Rounded to the 000s except per share amounts)	2017	2018	2019
Rental Revenue	\$11,621,000	\$13,993,000	\$16,372,000
Property NOI	\$6,943,000	\$8,259,000	\$10,070,000
Dividends Per Share ⁽²⁾	\$0.67	\$0.67	\$0.70
Funds From Operations ⁽³⁾	\$2,934,000	\$3,244,000	\$4,751,000
FFO Per Share	\$0.95	\$0.75	\$0.94
FFO Payout Ratio	71%	89%	74%
Adjusted Funds From Operations ⁽⁴⁾	\$2,818,000	\$3,140,000	\$4,260,000
AFFO Per Share	\$0.91	\$0.73	\$0.84
AFFO Payout Ratio	74%	92%	83%
Interest Coverage Ratio ⁽⁵⁾	3.3 X	3.3 X	3.6 X
Loan-To-Value Ratio	51%	48%	49%
Weighted Average Shares/Units Outstanding	3,097,000	4,324,000	5,049,000

NOTES:

(1) Shares and per share amounts include both REIT shares and operating partnership units.

(2) Dividends Per Share is the annual average.

(3) FFO, a non-GAAP measure, is equal to net income, excluding gains or losses from sale of property, and adding back non-cash expenses such as depreciation and amortization.

(4) AFFO, a non-GAAP measure, is calculated by subtracting from FFO, normalized recurring capital expenditures and miscellaneous non-cash charges.

(5) Interest coverage ratio is equal to net operating income divided by interest expense.

(6) Assumes all dividends reinvested



SR
REALTY
TRUST

RETURN COMPARISON

TOTAL SHAREHOLDER RETURNS
As of 12/31/19



NOTES:

- National Association of Real Estate Investments Trust Equities index can be found at www.nareit.com.
- SR Realty Trust inception date was September 15, 2014.
- Assuming all dividends are reinvested.
- Share price increased from \$12.00 to \$12.50 per share in 2019.

FINANCIAL PERFORMANCE

SR Realty Trust ended 2019 with a portfolio of 25 operating properties it either owned outright or owned an interest in, and five joint-venture investments. A robust economy, growing across almost all sectors, drove strong performance in the Company's portfolio. Average occupancy remained strong at 95%. Occupancy in the Industrial, Retail, and Multi-family properties averaged better than 96%, while office occupancy waned slightly through the year.

Gross revenues increased \$2.38 million year-over-year, or 17%, to \$16.37 million. Property level net operating income also increased, by \$1.77 million, representing a 21.3% increase over the prior year. Increasing per square foot rental rates and strong leasing activity drove such solid performance on most properties.

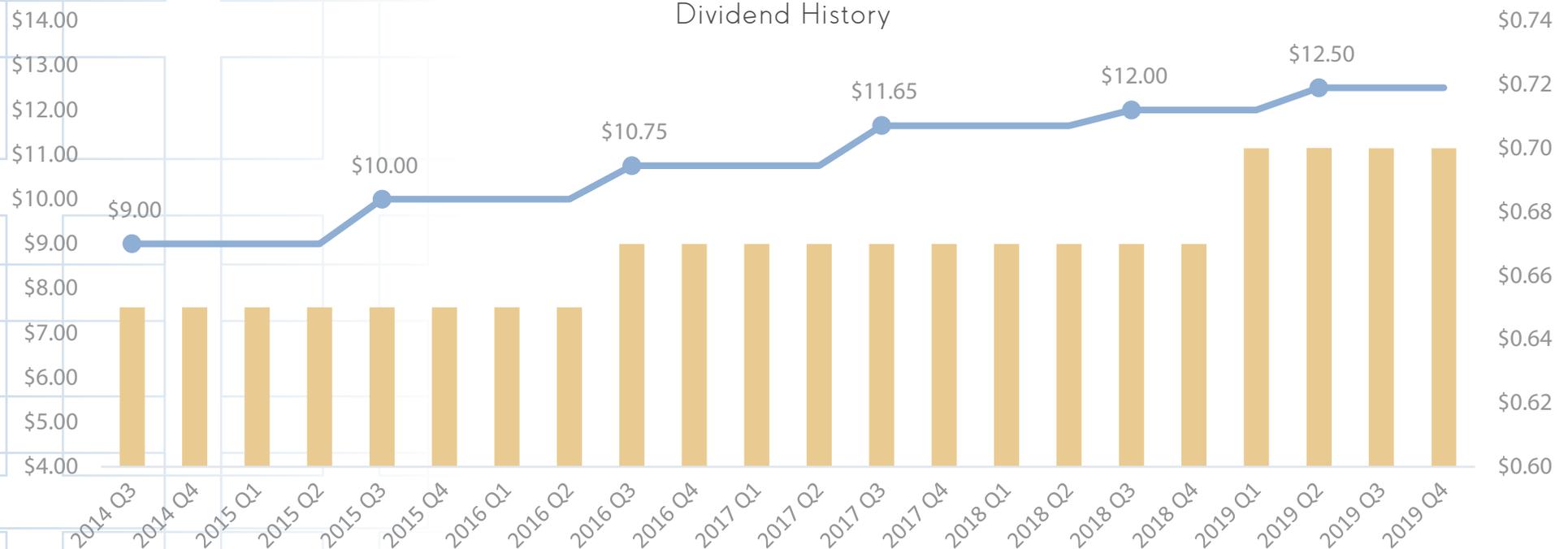
Comparing those properties with at least two full years of operating results, revenue and

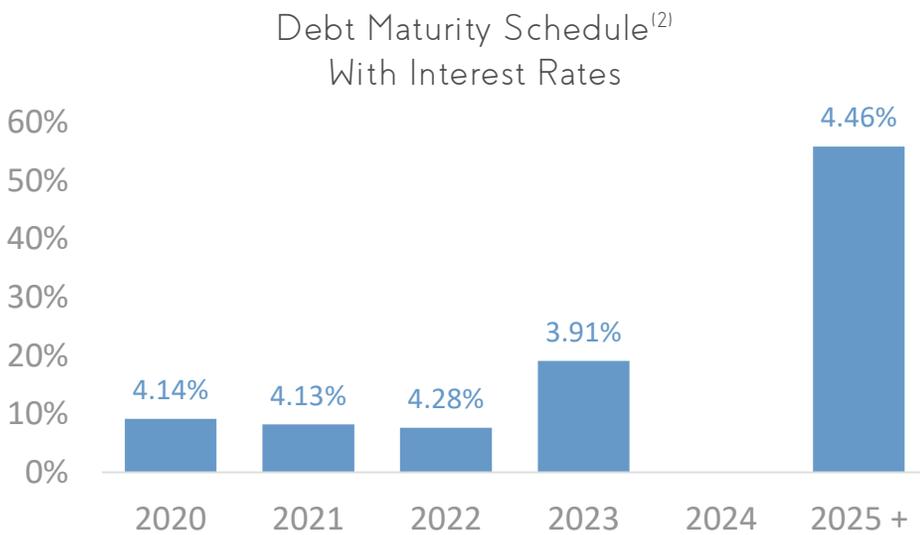
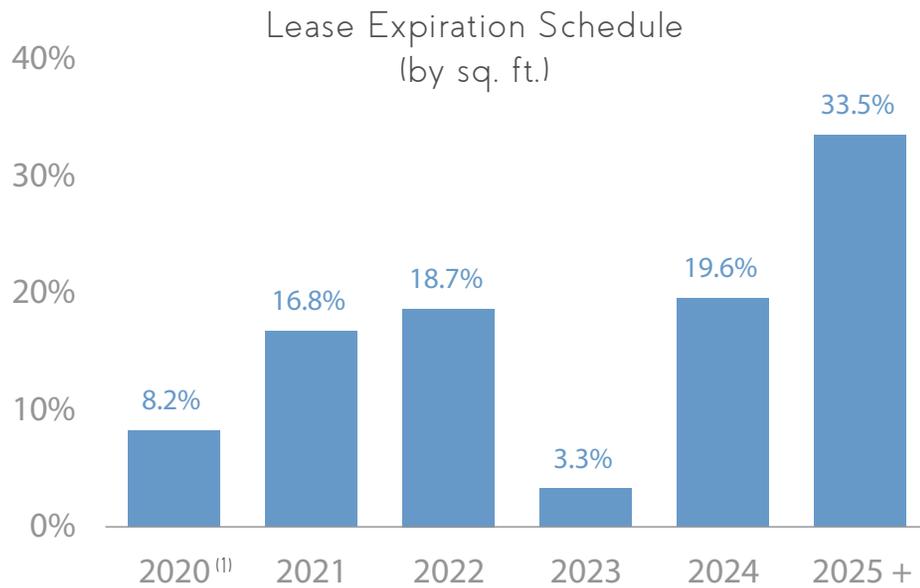
net operating income also grew on a 'Same Store' basis. Same Store revenues were up 9.1% in 2019, while Same Store net operating income increased by 11.3%.

These results were reflected in SR Realty Trust's 2019 Funds From Operations (FFO) as FFO improved to \$0.94 per share compared to \$0.75 in 2018. Adjusted Funds From Operations (AFFO) was \$0.84 per share in 2019, compared to \$0.73 in 2018.

The increase in net operating income, coupled with the continuation of historically low interest rates and cap rates, drove solid growth in the market value of SR Realty Trust's portfolio during the year. That growth, and the continual amortizing of mortgage debt resulted in a lower overall loan-to-value ratio across the portfolio. While there may be broader economic challenges ahead, we believe the Company is well-positioned to deliver on its investment objects into the foreseeable future.

Dividend History





(1) 2020 includes month-to-month leases.

(2) Company line of credit is not included in this analysis because it is revolving. Debt maturity is based on final maturity date, not annual payments.



PARKWAY PLAZA



BANKS BUILDING

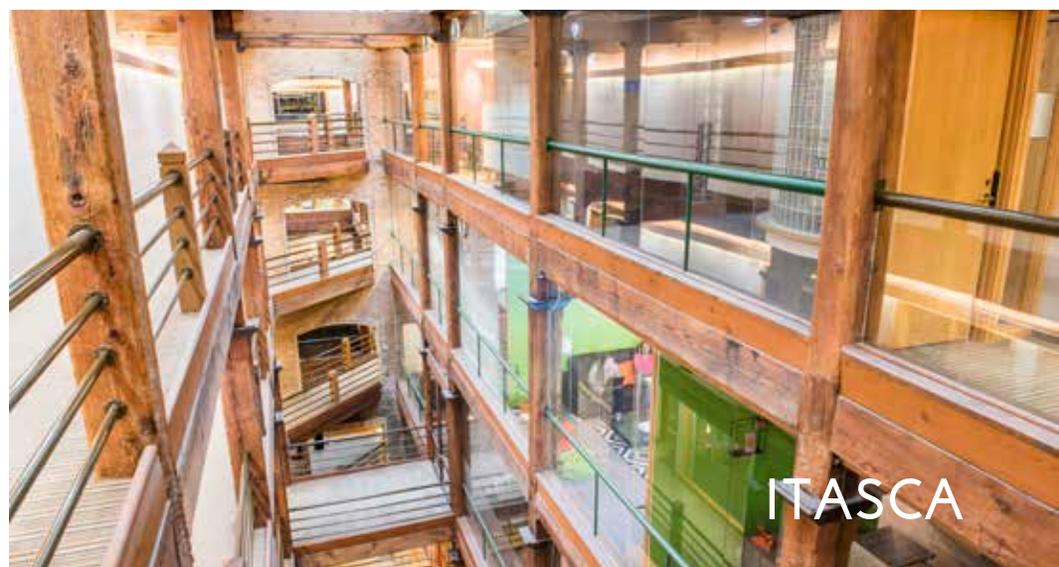
BANKS BUILDING



BEDFORD



FAIRVIEW SHOPPING CENTER



ITASCA



THE REDWELL

2300 KENNEDY



653 HALE

SR REALTY TRUST GROWTH

Over the past 12 months, SR Realty Trust continued to further diversify its portfolio by both property type and geography, through the acquisition of four properties and by making three joint-venture investments. Combined, these transactions represent approximately \$43.5 million in new deals.

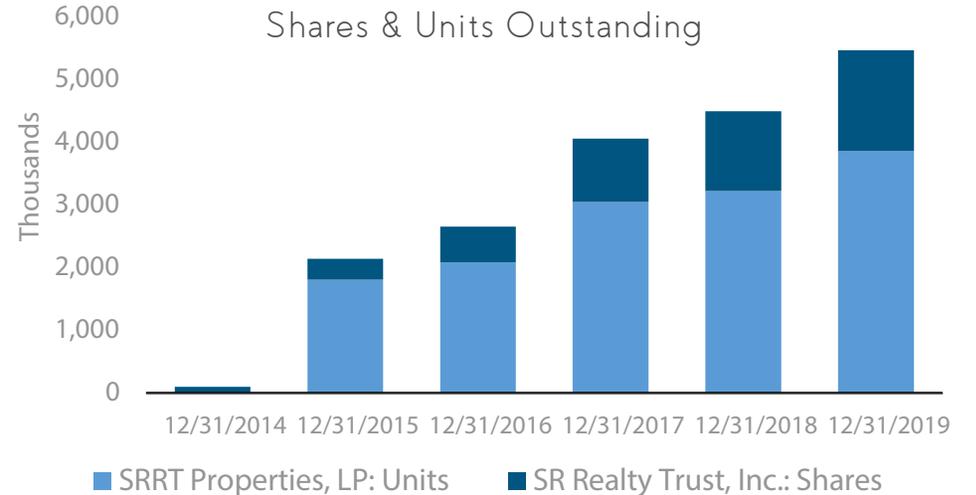
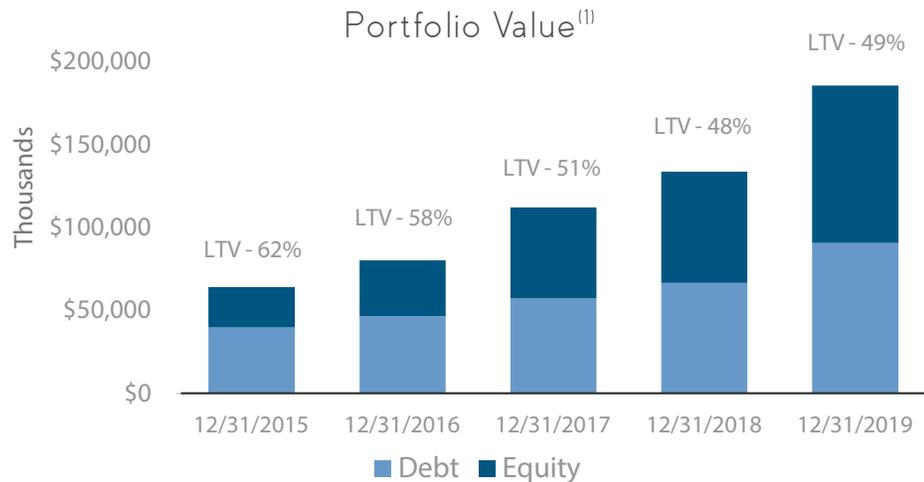
Stabilized property acquisitions included two industrial properties in Kansas City, Missouri, a 73,000 square foot net leased office property in Davenport, Iowa, and an 8,000 square foot mixed-use building in St. Paul, Minnesota. All four deals were purchased for cash and three were completed in partnership with 1031 buyers.

Through the acquisition of approximately 800,000 square feet of industrial space and \$30 million market value, the REIT's industrial holdings overtook office in 2019 as the REIT's largest asset class by total square feet. As of January 1st, 2020, the Company's portfolio by square footage was comprised of 63% industrial, 29% office, 7% retail and 1% multi-family.

Minnesota continues to represent SR Realty Trust's largest market, being home to just over 50% of the total square feet within the portfolio. With one exception, an industrial property in Duluth, the REIT's Minnesota portfolio is concentrated in the Minneapolis/St. Paul MSA, especially the city of Minneapolis proper. Having acquired almost one million square feet in Kansas City over the past 18 months, that market now holds 42% of the REIT's total rentable area.

Looking forward, SR Realty Trust will continue to look for opportunities to make accretive additions to our portfolio. The Company is focused on acquiring assets in stable markets with balanced real estate fundamentals that also offer the ability to continually increase net operating income. We are most focused on adding to the modest amount of multi-family we currently own, while also growing the industrial and net leased portfolios. Minneapolis, Kansas City, Omaha, and Milwaukee comprise our core markets today, but we continue to look in other secondary markets across the Upper Midwest.

UPREIT contributions and partnerships with 1031 buyers will continue to be a primary driver of SR Realty Trust's growth.



(1) Portfolio Value includes pro-rata minority interests in buildings managed by the Company.

SENTRY INSURANCE BUILDING
Davenport, Iowa
Type: Office
Purchase Price: \$9.8 Million
Date: July 2019



FIRE STATION
St. Paul, Minnesota
Type: Office
Purchase Price: \$1.2 Million
Date: July 2019



SPOTLIGHT : 2019 ACQUISITIONS



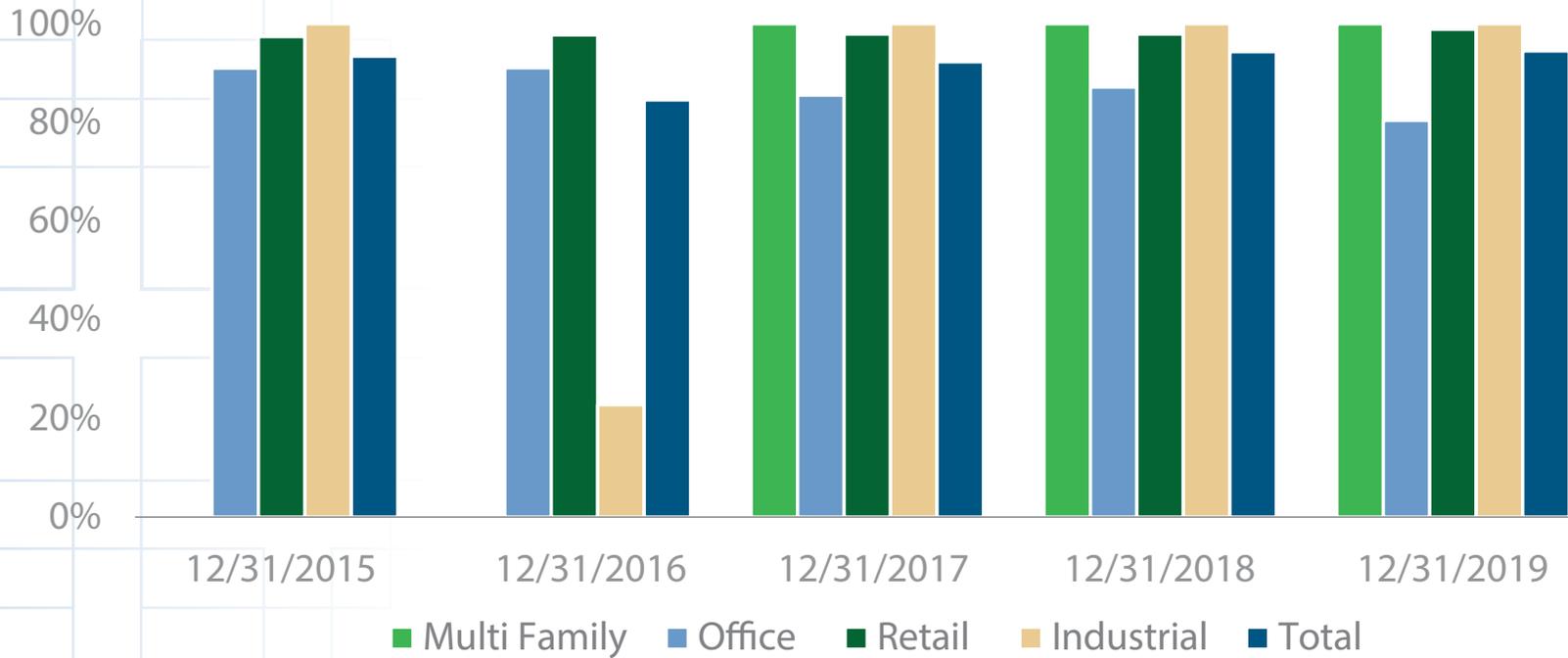
BOTTS ROAD
Grandview, Missouri
Type: Industrial
Purchase Price: \$19.0 Million
Date: February 2019



4101 EMPIRE ROAD
Kansas City, Missouri
Type: Industrial
Purchase Price: \$9.3 Million
Date: November 2019

PORTFOLIO OVERVIEW

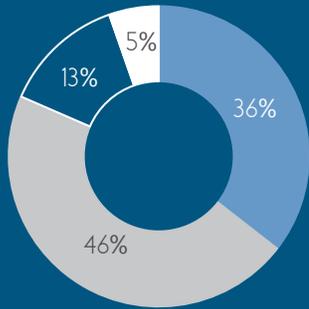
OCCUPANCY
By property type⁽¹⁾



NOTES:

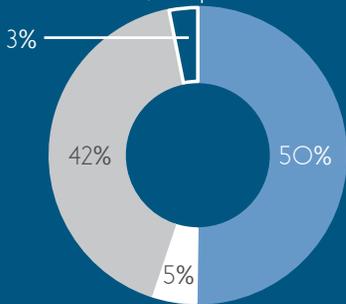
(1) Total excludes multi-family

PROPERTY TYPE
(by market value)



■ Industrial ■ Office □ Retail ■ Multi-family

GEOGRAPHIC BREAKOUT
(By Sq. Ft.)



■ Minnesota ■ Nebraska ■ Missouri □ Iowa



\$185 MILLION
PORTFOLIO VALUE⁽¹⁾



2.34 million
TOTAL SQUARE FEET

25



NUMBER OF PROPERTIES



SR REALTY
TRUST

49%



LOAN-TO-VALUE



DEVELOPMENT JOINT VENTURE INVESTMENTS

5

(1) Portfolio value includes both owned and managed assets.



BOARD OF DIRECTORS



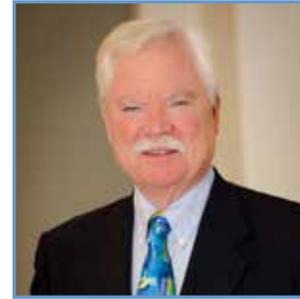
PETER BELL
Director



JAMES W. HANSEN
Director



STEVEN G. NORCUTT
Director, President, Chief
Operating Officer



N. CHRISTOPHER
(KIT) RICHARDSON
Director, Secretary



BRADLEY J. SCHAFNER
Chairman, Chief
Executive Officer



DAVID W. SMITH
Director



JEFFERY L. WRIGHT
Director

INVEST + PROTECT + GROW



Bradley J. Schafer

Chairman. Chief Executive Officer

612.359.5840 | bschafer@sr-re.com

Bradley J. Schafer serves as Chairman and Chief Executive Officer. Mr. Schafer is a Founding Principal of Schafer Richardson and has 35 years of commercial real estate experience. Mr. Schafer focuses on strategic planning, real estate investment strategies and capital formation.

He is a member of the National Association of Realtors, the Minneapolis Association of Realtors, and the Urban Land Institute.



N. Christopher (Kit) Richardson

Director. Secretary

612.359.5841 | krichardson@sr-re.com

N. Christopher (Kit) Richardson serves as Director and Secretary of the company. Mr. Richardson is a Founding Principal of Schafer Richardson and a licensed Architect with over 44 years of experience in commercial real estate, real estate development, and architecture. Prior to forming Schafer Richardson, he was Vice President with Griffin Real Estate Company as an investment and land sales specialist for eight years.

Prior to that, Mr. Richardson co-founded Architectural Associates, Inc., a Minneapolis-based design firm with a focus on commercial interiors, in-fill urban projects, and historic preservation. He began his architectural career in the office of Ralph Rapson & Associates, having been a graduate program teaching assistant under Mr. Rapson at the University of Minnesota. He is a member of the American Institute of Architects, Urban Land Institute, the Sensible Land Use Coalition, Lambda Alpha Minnesota, and the Minneapolis Park and Recreation Board's Tree Advisory Commission.



Steve Norcutt

Director. President. Chief Operating Officer

612.359.5859 | snorcutt@sr-re.com

Steven G. Norcutt serves as Director, President, and Chief Operating Officer of the company. Mr. Norcutt joined Schafer Richardson as principal in 2009. President and Chief Operating Officer. Mr. Norcutt has over 30 years of experience in financial management, portfolio management and mortgage origination.

Prior to joining Schafer Richardson, Mr. Norcutt served as Senior Vice President/Portfolio Manager of Structured Finance with ReliaStar (ING) for over 13 years. Mr. Norcutt serves on the Board of Directors of a NASDAQ member firm, New York Mortgage Trust (NYMT). With NYMT he chairs the Investment Committee and serves on the Audit Committee. Mr. Norcutt is a member of the Urban Land Institute, National Association of Office and Industrial Properties, Sensible Land Use Coalition, and the Mortgage Bankers Association.

OUR TEAM



Greg Springer

Chief Financial Officer.
Treasurer

612.305.7081 | gspringer@sr-re.com

Gregory J. Springer serves as the Company's Chief Financial Officer and Treasurer. Mr. Springer joined Schafer Richardson in 2014 and oversees the financial and administrative aspects of the business. His responsibilities at Schafer Richardson and SR Realty Trust include accounting, planning, treasury, risk management, human resources, employee benefits, technology and transaction processing.

Before joining Schafer Richardson, Mr. Springer served as the Chief Financial Officer of a privately held distributor of mid-range computer solutions, and previously held senior financial positions at United Health Group and Arthur Andersen LLP. Mr. Springer has developed an expertise in a broad array of financial and operational activities with a strong orientation to effective business processes, policies and controls. He is a licensed Certified Public Accountant (inactive) and has extensive experience in public reporting, acquisitions and integrations, and banking relationships.



Evan Richardson

Senior Vice President.
Investments

612.359.5849 | erichardson@sr-re.com

Evan C. Richardson currently serves as Senior Vice President of SR Realty Trust. Mr. Richardson joined SR Realty Trust's parent company, Schafer Richardson, in 2013. In that capacity he leads the company's efforts to structure and capitalize new initiatives, investment funds, single-asset partnerships and joint venture activities. Today, Mr. Richardson is responsible for all capital markets activities within SR Realty Trust.

Prior to joining Schafer Richardson, Evan was a member of the Capital Markets Group at Cushman & Wakefield (formerly NorthMarq). During his tenure, the Capital Markets Group listed, sold, or consulted on more than nine million square feet of commercial real estate representing approximately three quarters of a billion dollars of aggregate value. Mr. Richardson is a member of the National Association of Office and Industrial Properties and the Urban Land Institute.



Thomas M. Mott

Vice President, Asset
Management

612.359.5844 | tmott@sr-re.com

Thomas M. Mott joined Schafer Richardson as Vice President, Asset Management in 2020. He is responsible for the financial and strategic goals of SR Realty Trust and affiliated Schafer Richardson properties. Tom has over 25 years of experience in commercial property and asset management.

Prior to joining Schafer Richardson, Tom served as Vice President, Asset Management for nine years. He has been instrumental in the acquisition, repositioning and disposition of a variety of property types both locally and nationally. Tom holds a Bachelor of Science degree in Finance and Management from Minnesota State University (formerly Mankato State University) and Master of Science from Boston University. He is actively involved in NAIOP and volunteers as a coach.



Laura Hanneman

Investor Services Manager

612.305.7083 | lhanneman@sr-re.com

Laura J. Hanneman joined Schafer Richardson and SR Realty Trust in 2018 as a member of the Capital Markets team and is the Investor Services Manager. In this role, Laura works on all aspects of the Company's investor relations, equity sales, and marketing efforts.

Most recently, Laura was a part of the Minneapolis Multi-Family Investment Sales team at CBRE. She brings nearly two decades of commercial real estate experience and involvement in over four billion dollars of investment sales to Schafer Richardson and SR Realty Trust. Laura holds a Bachelor of Science degree in Marketing and Management from St. Catherine University.



Shanna Strowbridge

General Counsel

612.314.1697 | sstrowbridge@sr-re.com

Shanna Strowbridge serves as General Counsel for Schafer Richardson and SR Realty Trust. Shanna has nearly twenty years of experience in commercial real estate transactions and leasing matters in both the private practice and in-house counsel settings. She represents our development and acquisition teams in the purchase, sale, development, financing and structuring of master-planned communities and projects. Her extensive experience within the Twin Cities real estate industry is a valued asset to Schafer Richardson as is her expertise in handling entitlement of projects, property management matters and drafting construction contracts.

Shanna received her Bachelor of Arts and Juris Doctorate from the University of Minnesota-Twin Cities.



Mitchell Cox

Associate General Counsel

612.314.1591 | mcox@sr-re.com

Mitchell H. Cox serves SR Realty Trust and Schafer Richardson as their Associate General Counsel. Mitch has over 36 years of general corporate, business, real estate, merger and acquisition, and construction law experience. Mitch advises and assists in all aspects of entity formation, organization, financing and capital structuring. In the real estate area, Mitch handles a broad range of transactions, including the acquisition, financing, development, construction, leasing, management, operation, sale and other disposition of projects.

Prior to joining Schafer Richardson, Mitch was a shareholder with Moss & Barnett, A Professional Association, a mid-sized law firm headquartered in Minneapolis, Minnesota. At Moss & Barnett, Mitch served as the Chair of its commercial department and the head of its business law practice group. While in private practice, Mitch was recognized on the Minnesota Super Lawyers® list for many years, including the 'Top 40 Business and Commercial Transactions' lawyers list and the 'Top 100' lawyers list by the predecessor publication, Minnesota Law & Politics.



Kelsey Gregory

Director of Asset Management

612.314.1594 | kgregory@sr-re.com

Kelsey R. Gregory joined Schafer Richardson as Director of Asset Management in 2017. She is responsible for operational oversight to support the financial and strategic goals of SR Realty Trust. Kelsey has asset managed over 10 million square feet of all property types with over \$900 million in aggregate value, both locally and nationally. Her experience encompasses all facets of property ownership, including financial and property management, acquisitions, dispositions, valuation and underwriting and leasing.

Kelsey holds Bachelor of Science degrees in Financial Management and Real Estate Studies from the University of St. Thomas. She is actively involved in National Association of Office and Industrial Properties (NAIOP) currently serving on the Board and Executive Leadership team as Treasurer for the Minnesota Chapter.



Dan Ruehl

Acquisitions Analyst

612.359.5857 | druehl@sr-re.com

Dan K. Ruehl joined Schafer Richardson in July 2018 and serves as the Acquisitions Analyst for SR Realty Trust. He is responsible for sourcing, underwriting, due diligence, and closing the acquisition of properties, along with reporting functions for SR Realty Trust.

Prior to joining Schafer Richardson, Dan was a Real Estate Manager with CBRE where he managed over 2 million square feet of retail, office and industrial real estate and did site inspections on another 5 million square feet of big box retail spaces.

Dan earned two Bachelor of Art degrees in Accounting/Finance and Business Administration from Saint John's University. He is a member of the National Association of Office and Industrial Properties (NAIOP) and Minnesota Real Estate Exchangers (MREE).



Benjamin J. Christianson

Senior Financial Analyst

612.314.1595 | bchristianson@sr-re.com

As a Senior Financial Analyst, Benjamin J. Christianson is responsible for creating and maintaining the company's corporate financial models for the purpose of synthesizing data to establish a streamlined analytic foundation. He collaborates with multiple departments to deliver the highest-quality and most accurate information to internal and external constituents.

Prior to joining Schafer Richardson, Ben worked as an Acquisitions Manager for TS REIS, a boutique real estate investment service company located in the Greater Omaha, NE area. While a part of TS REIS, he was the lead for all acquisition and disposition activity across Iowa, Kansas, Nebraska, and South Dakota, while overseeing asset onboarding and management of properties acquired. Ben earned his Bachelor of Science degree in Business Administration, with an emphasis in Financial Analysis, from Creighton University.



900 North Third Street, Minneapolis, MN 55401
612.371.3000 | srrealtytrust.com

