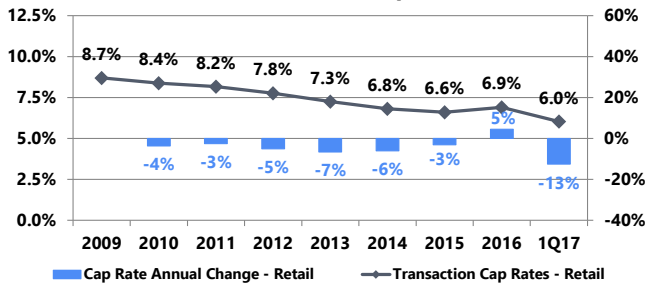


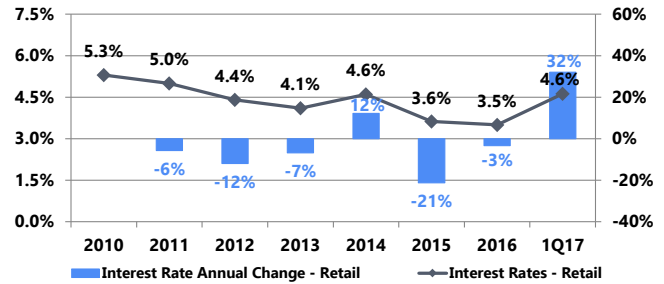
Retail Transaction Metrics - Cap Rates & Interest Rates

Summit Non-Listed REIT Cap Rates - Retail



After a cap rate increase to 6.9% in 2016 that ended six years of cap rate compression, retail acquisition cap rates decreased from 6.9% in 2016 to 6.0% in 1Q17. Retail market cap rates had declined due to rising demand fueled by inexpensive long-term financing and a growing U.S. economy. Retail non-listed REITs may take on higher risks to increase equity yields.

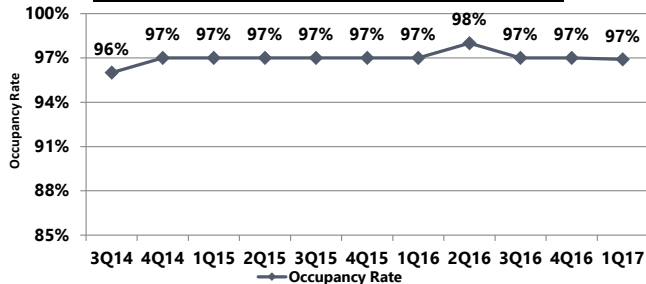
Summit Non-Listed REIT Interest Rates - Retail



After interest rates on retail non-listed REIT permanent loans declined to a record low 3.5% in 2016, retail interest rates increased to 4.6% in 1Q17. Declining interest rates had been a key factor for cap rate compression since 2009, but rising LIBOR rates will push interest rates on permanent loans higher, as retail interest rates should remain above 4.0% in 2017.

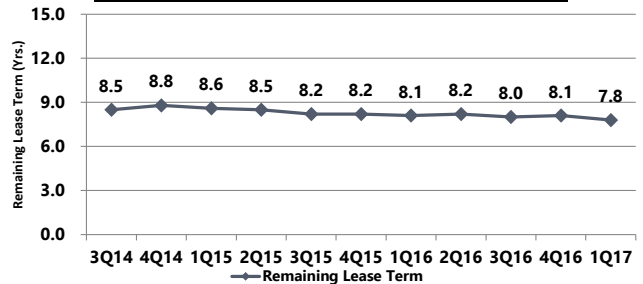
Retail Property Metrics - Occupancy & Lease Term

Summit Non-Listed REIT Occupancy - Retail



The retail non-listed REIT occupancy rate remained at 97% in 1Q17. Retail non-listed REITs have focused on net lease retail properties and grocery-anchored retail centers, which is a key factor for its higher occupancy rate. Retail non-listed REIT occupancy exceeds retail market occupancy, which has a higher investment allocation to regional malls and outlet centers.

Summit Non-Listed REIT Lease Term - Retail



Remaining lease terms for retail non-listed REITs declined from 8.1 years in 4Q16 to 7.8 years in 1Q17. New retail leases are typically 10-20 years in length. Several retail non-listed REITs reported lower average remaining lease terms in 1Q17 largely due to shorter lease terms on recent retail acquisitions and declining lease terms on existing retail investments.

Non-Listed REIT Retail Transaction



**Lowe's - North Dartmouth, MA**  
Cole Real Estate Income Strategy (Daily NAV)  
January 4, 2017

In January 2017, Cole Real Estate Income Strategy (Daily NAV) ("Cole dNAV") acquired a 172,269 square foot Lowe's home improvement store in North Dartmouth, MA for \$20.2 million. Lowe's lease has an 11.7 year remaining term. Cole dNAV's acquisition cap rate was a 6.04%. **Market:** New Dartmouth, which is a small coastal town in southeastern Massachusetts, is classified as a tertiary market by Summit. **Tenant:** Lowe's, the second largest home improvement chain behind Home Depot, has more than 1,800 stores in the US, Canada, and Mexico. Lowe's reported \$65 billion revenue for its FYE 2017, which is a 10% increase from FYE 2016, but Lowe's continues to lag Home Depot on same-store revenue growth. Lowe's has an A- credit rating from S&P.