

**Strategic Realty Trust**  
400 South El Camino Real  
Suite 1100  
San Mateo, CA 94402

September 26<sup>th</sup>, 2013

Dear Shareholder,

It has been a little over one month since Glenborough and its affiliate, SRT Advisors, LLC became the property manager and the advisor to the Company, and I wanted to update you on the progress we are making. As previously discussed our number one priority is to restart a dividend and in order to do so we need to refinance or recast the Key Bank line of credit debt. To that end we are in the process of selling three shopping centers.

Willow Run	Westminster, CO
Craig Promenade	Las Vegas, NV
Visalia Marketplace	Visalia, CA

We are hopeful that the sales will be completed before the end of the fourth quarter. We plan to use the sales proceeds to reduce the Key Bank Loan so that the prohibition on dividends can be removed and the Board of Directors can be in a position to restart a dividend. These sales could also help restore working capital, reduce payables and provide capital for new leasing and capital improvements for the shopping centers.

The property management transition is complete and we are working hard to reduce accounts receivable and to reduce operating expenses. As we begin the budgets for next year, we are looking to ensure that tenant billings are accurate as we focus on maximizing our rent and expense collections. In addition, we are working to determine what capital expenditures are needed to sustain strong occupancy and leasing demand.

As planned, we have begun to reduce the general and administrative costs. Costs for the audit and annual D and O insurance are down significantly from last year. The former transfer agent has begun to transfer shareholder data to the new independent transfer agent, which when complete will put us in a position to hold an annual shareholder meeting.

In the fourth quarter we also hope to have the results of an independent third party valuation of the properties and the Net Asset Value per share. The Company's investment strategy remains the same as outlined in the prospectus. As for the future, the Company's liquidation strategy also remains unchanged. Your Board of Directors will continue over time to evaluate possible liquidity strategies.

We will send another update soon and let know how we are progressing. The Company website is also a good source of information on the Company and provides access to all of the Company's filings with the Securities and Exchange Commission ([www.srtreit.com](http://www.srtreit.com)).

Andrew Batinovich

A handwritten signature in black ink, appearing to read 'A. Batinovich', written in a cursive style.

Chief Executive Officer

**Forward Looking Statements:**

This letter may contain forward looking statements within the meaning of Section 27A of the Securities Act of 1993 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements can be generally identified by our use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “strive,” “continue” or other similar words. Readers of this letter should be aware that there are various factors that could cause actual results to differ materially from any forward-looking statements made in this letter. Factors that could cause or contribute to such differences include, but are not limited to, (i) difficulties in obtaining Company records from the Company's former advisor, former property manager and former transfer agent, (ii) difficulties in raising new capital on attractive terms or growing the Company's investment portfolio, (iii) adverse changes in the Company's portfolio, (iv) difficulties and delays with property dispositions, and (v) inability of the Company to list its shares at some future date. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this letter.



## Strategic Realty Trust

Strategic Realty Trust, formerly known as TNP Strategic Retail Trust, Inc. is a non-traded real estate investment trust which owns a portfolio of 19 shopping centers containing 1.9 million square feet that are anchored by grocers such as Publix, Safeway and Wal-Mart.

The Company has retained SRT Advisors, LLC, an affiliate of Glenborough LLC (Glenborough) as its new advisor and has retained Glenborough as the Company's property manager.

### Investment Objectives and Strategy

The Company intends to invest in a portfolio of income producing retail properties, including neighborhood, community and lifestyle shopping centers, multi-tenant shopping centers and free standing single tenant retail properties. The Company may invest directly or through joint ventures.

The Company's investment objectives are to:

- ❖ Preserve, protect and return stockholders capital contributions;
- ❖ Pay cash dividends to stockholders; and
- ❖ Realize capital appreciation upon the ultimate sale of the investments acquired.

For further information on the Company's investment objectives and strategies and associated risks, please see the Company's original offering documents. The Company has concluded its offering as of February 7, 2013 and is not offering shares at this time.

## Glenborough's Retail Capabilities

- ❖ Capabilities include:
  - ❖ Retail leasing new and renewal, anchor, pad or in-line
  - ❖ Retail lease administration and CAM billings and accounting
  - ❖ Acquisition and disposition of retail centers
  - ❖ Value-Add experience such as:
    - ✓ Ground up and pad development
    - ✓ Redevelopment and repositioning
    - ✓ Anchor tenant replacement and general lease up strategies
    - ✓ Solving complex easement and common area maintenance proration issues that add value

## The Advisor

Glenborough, LLC and its predecessors offer the stability of over 30 years of real estate experience and history. Glenborough is fully staffed to handle all aspects of commercial real estate including acquisition, finance, property management, leasing, development, accounting, reporting and disposition. Glenborough is experienced in a variety of property types, including office, industrial, retail, and multi-family. Glenborough has acquired and /or sold over \$4.1 billion in assets over the last 15 years.

Glenborough's management team is largely the same group that led Glenborough Realty Trust to a compounded annual return of 16.2% over 11 years as a public company, versus 11.2% over the same period for the NAREIT Equity Index. In 2006, Glenborough Realty Trust, a NYSE-listed REIT (NYSE:GLB) sold itself to a Morgan Stanley controlled real estate fund in a transaction valued at approximately \$1.9 billion.

### Glenborough Offers

- ❖ Disciplined, thoughtful and successful approach to investing
- ❖ Proven ability to source and close profitable investments
- ❖ Skilled real estate operating platform with the capabilities to execute our investment strategies
- ❖ Timely, transparent and informative reporting and communications
- ❖ Demonstrated ability to sell at the appropriate time, maximizing value and investor returns

## Glenborough's Competitive Advantages

- ❖ 11 years managing an NYSE publicly traded REIT
- ❖ 27 years of extensive experience in owning, managing, leasing and developing over \$300 million of retail properties across the US
- ❖ Proven REIT operator who can take the REIT to the next level
- ❖ Strong industry relationships and a solid track record with public REIT investors
- ❖ No legacy problems or distractions in our portfolio or corporate structure
- ❖ A proven history of protecting investors

**Glenborough's Management Team**

*An experienced and seasoned management team with  
a reputation for integrity*



**Andrew Batinovich**  
**President and Chief Executive Officer**

Mr. Batinovich joined Glenborough in 1983; was a co-founder of NYSE-traded Glenborough Realty Trust; was appointed President in 1997; and Chief Executive Officer in 2003 and has also served as Chief Financial Officer. Mr. Batinovich has a broad-based real estate background and is experienced in investments, property management & leasing, and financial reporting. He has also been involved in the acquisition, development and management of retail, office, multifamily, industrial and hotel properties. Mr. Batinovich serves as a director of two NYSE-listed real estate trusts, Sunstone Hotel Investors and RAIT Financial, a mortgage REIT.



**Michael A. Steele**  
**Executive Vice President and Chief Operating Officer**

Mr. Steele has many responsibilities at Glenborough but his most important role since joining the company in 2002 is heading up Property Management & Leasing. He served as Chief Operating Officer of Equity Office Properties Trust and President of First Office Management, the management and leasing arm of the ZML Portfolio from which EOP was formed in 1997. Prior to joining FOM, Mr. Steele held senior management positions in Rubloff, Inc., VMS Realty and Homart Development Co. He has a tremendous amount of experience in the management, leasing and development of office and retail projects at a national level.



**G. Lee (Chip) Burns**  
**Senior Vice President, General Counsel and Secretary**

In this capacity, Mr. Burns directs regulatory and compliance requirements while overseeing the in-house legal team to provide legal support for the Company's operations including acquisition, leasing and property management. Glenborough's in house legal expertise allows our leasing and property management staff timely and cost effectively legal advice and documents. Prior to joining Glenborough in 1997, Mr. Burns spent 13 years in private practice specializing in real estate transactions. He is a member of the State Bar of California.



**Alan Shapiro**  
**Senior Vice President – Investments**

Mr. Shapiro and his acquisition & research team have provided the Company and its investment partners a steady flow of acquisition candidates including numerous off-market opportunities often only seen by a handful of prospective, proven buyers. Since joining the Company in 1997, Mr. Shapiro's team has been involved in the acquisition of over \$4 billion in real estate investments. He is responsible for the Company's reputation as a fair buyer, timely and thorough underwriter, and as a closer. Prior to joining Glenborough, Mr. Shapiro served as Director of Asset Management and Equity Sales with Aetna Life Insurance Company where he managed a diverse portfolio of multi-family, office, industrial and retail properties.



**Terri L. Garnick**  
**Senior Vice President – Accounting**

Since joining Glenborough in 1989, Ms. Garnick is responsible for property management accounting, financial statement preparation, fulfilling SEC and Sarbanes-Oxley compliance requirements, audits and tax returns for both the Company and the Company's various investment entities. Ms. Garnick and her team strive to provide accurate and timely accounting results and financial management tools to Glenborough's management team to best manage the real estate portfolios and to provide our investment partners with operating results on a timely basis. Prior to Glenborough, Ms. Garnick was Controller at August Financial Corporation, a real estate investment and management company; and Senior Accountant at Deloitte, Haskins & Sells where she earned a CPA designation.



**Carlos Santamaria**  
**Vice President - Engineering Services**

Mr. Santamaria provides technical assistance and implements cost containment measures for all of the Company's assets. Mr. Santamaria has worked in commercial real estate, concentrating in engineering and construction operations for over 20 years. Currently, he co-chairs Glenborough's Sustainability Program, strategically positioning the Company as a leader in environmental stewardship. He is a Subcommittee Member/Co-Chair Member with the Department of Energy (DOE) Commercial Real Estate Energy Alliance group, a LEED Accredited Professional – LEED AP, a member of BOMA, and is an International Advisory Council member for Realcomm.