

# Second Quarter 2019 Investor Presentation

Note: This program does not own the properties pictured. The properties serve as the underlying collateral for loans held by BSP Realty Trust.



# IMPORTANT INFORMATION

## Risk Factors

Investing in and owning our common stock involves a high degree of risk. See the section entitled "Risk Factors" in our Annual Report on Form 10-K filed March 29, 2019 for a discussion of these risks.

## Forward-Looking Statements

Certain statements included in this presentation are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of Benefit Street Partners Realty Trust, Inc. ("BSP Realty Trust", "BSPRT", "we", "our" or the "Company") and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

## Additional Important Information

The summary information provided in this presentation does not purport to be complete and no obligation to update or otherwise revise such information is being assumed. Nothing shall be relied upon as a promise or representation as to the future performance of BSP Realty Trust. This summary is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where the offer or sale is not permitted. This summary is not advice, a recommendation or an offer to enter into any transaction with BSP Realty Trust or any of their affiliated funds. There is no guarantee that any of the goals, targets or objectives described in this summary will be achieved.

The information contained herein is not intended to provide, and should not be relied upon for, accounting, legal, ERISA or tax advice or investment recommendations. Investors should also seek advice from their own independent tax, accounting, financial, ERISA, investment and legal advisors to properly assess the merits and risks associated with their investment in light of their own financial condition and other circumstances. The information contained herein is qualified in its entirety by reference to BSP Realty Trust's Annual Report on Form 10-K, which contains information about the investment objective, terms and conditions of an investment in BSP Realty Trust. Investors should consider the investment objectives, risks, and charges and expenses of BSP Realty Trust carefully before investing. BSP Realty Trust's Annual Report on Form 10-K contain this and other information about the Company. You may obtain a copy of the most recent Annual Report by calling (844) 785-4393 and/or visiting [www.bsprealtytrust.com](http://www.bsprealtytrust.com).

**PAST PERFORMANCE IS NOT A GUARENTEE OR INDICATIVE OF FUTURE RESULTS. INVESTMENTS INVOLVE SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT.** There is no guarantee that any of the estimates, targets or projections illustrated in this summary will be achieved. Any references herein to any of BSP Realty Trust's past or present investments, portfolio characteristics, or performance, have been provided for illustrative purposes only. It should not be assumed that these investments were or will be profitable or that any future investments will be profitable or will equal the performance of these investments. There can be no guarantee that the investment objective of BSP Realty Trust will be achieved. Any investment entails a risk of loss. An investor could lose all or substantially all of his or her investment. Please refer to BSP Realty Trust's Annual Report on Form 10-K for a more complete list of risk factors. The following slides contain summaries of certain financial information about BSP Realty Trust. The information contained in this presentation is summary information that is intended to be considered in the context of our filings with the Securities and Exchange Commission and other public announcements that we may make, by press release or otherwise, from time to time.





## **Richard J. Byrne**

### *Chairman and Chief Executive Officer of BSP Realty Trust*

Richard Byrne is president of Benefit Street Partners and is based in BSP's New York office. Mr. Byrne is also Chairman and Chief Executive Officer of Business Development Corporation of America. Prior to joining BSP in 2013, Mr. Byrne was Chief Executive Officer of Deutsche Bank Securities Inc. He was also the Global Head of Capital Markets at Deutsche Bank as well as a member of the Global Banking Executive Committee and the Global Markets Executive Committee. Before joining Deutsche Bank, Mr. Byrne was Global Co-head of the leveraged finance group and Global Head of credit research at Merrill Lynch. He was also a perennially top-ranked credit analyst. Mr. Byrne earned a Masters of Business Administration from the Kellogg School of Management at Northwestern University and a Bachelor of Arts from Binghamton University.



## **Jerome S. Baglien**

### *Chief Financial Officer of BSP Realty Trust*

Jerry Baglien is Chief Financial Officer of Commercial Real Estate with Benefit Street Partners in BSP's New York office. Prior to joining BSP in 2016, Mr. Baglien was Director of Fund Finance for GTIS Partners LP, where he oversaw all finance and operations for GTIS funds. Previously, he was an accounting manager at iStar Inc. with oversight of loans and special investments. Mr. Baglien received a Master of Business Administration from Kellstadt Graduate School of Business at DePaul University and a Bachelor of Science in Accounting from the University of Oregon.



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## Executive Summary

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# Executive Summary

## Investments

- BSPRT made \$355 million of core (floating rate) investments in Q2 2019
- BSPRT made \$121 million of conduit investments in Q2 2019

## Financials

- Adjusted Net Income was \$17.9 million<sup>(2)</sup> in Q2 2019 vs. \$19.9 million in Q1 2019
- GAAP Net Income was \$14.5 million in Q2 2019 vs. \$19.9 million in Q1 2019

## Book Value and Dividend

- Common Book Value per share was \$18.49 at 6/30/2019 vs. \$18.66 at 3/31/2019
- Adjusted Dividend Coverage<sup>(2)</sup> was 97% in Q2 2019 vs. 114% in Q1 2019
- GAAP Dividend Coverage<sup>(1)</sup> was 75% in Q2 2019 vs. 114% in Q1 2019

## Capital Markets Activity

- Raised \$60 million of new equity in Q2 2019 bringing total pro forma equity closer to \$1 billion
- Issued BSP CRE's fifth CLO, BSPRT 2019-FL5 for \$810 million
- Sold \$120 million of conduit loans in one CMBS transaction

## Portfolio

- Our portfolio consisted of 106 floating rate loans and 11 conduit loans as of 6/30/2019 vs. 100 floating rate loans and 9 conduit loans as of 3/31/2019
- There were two investments on non-accrual as of 6/30/2019 vs. one investment as of 3/31/2019

(1) Calculated as net income applicable to common stock divided by dividend to common stock book value

(2) Adjusted for (i) non-cash CLO amortization acceleration to effectively amortize issuance costs over the expected lifetime of the CLOs, (ii) unrealized gain and loss on loans and derivatives, and (iii) incentive fee

Note: **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ANY INVESTMENT INVOLVES SIGNIFICANT RISK, INCLUDING LOSS OF ENTIRE INVESTMENT.**

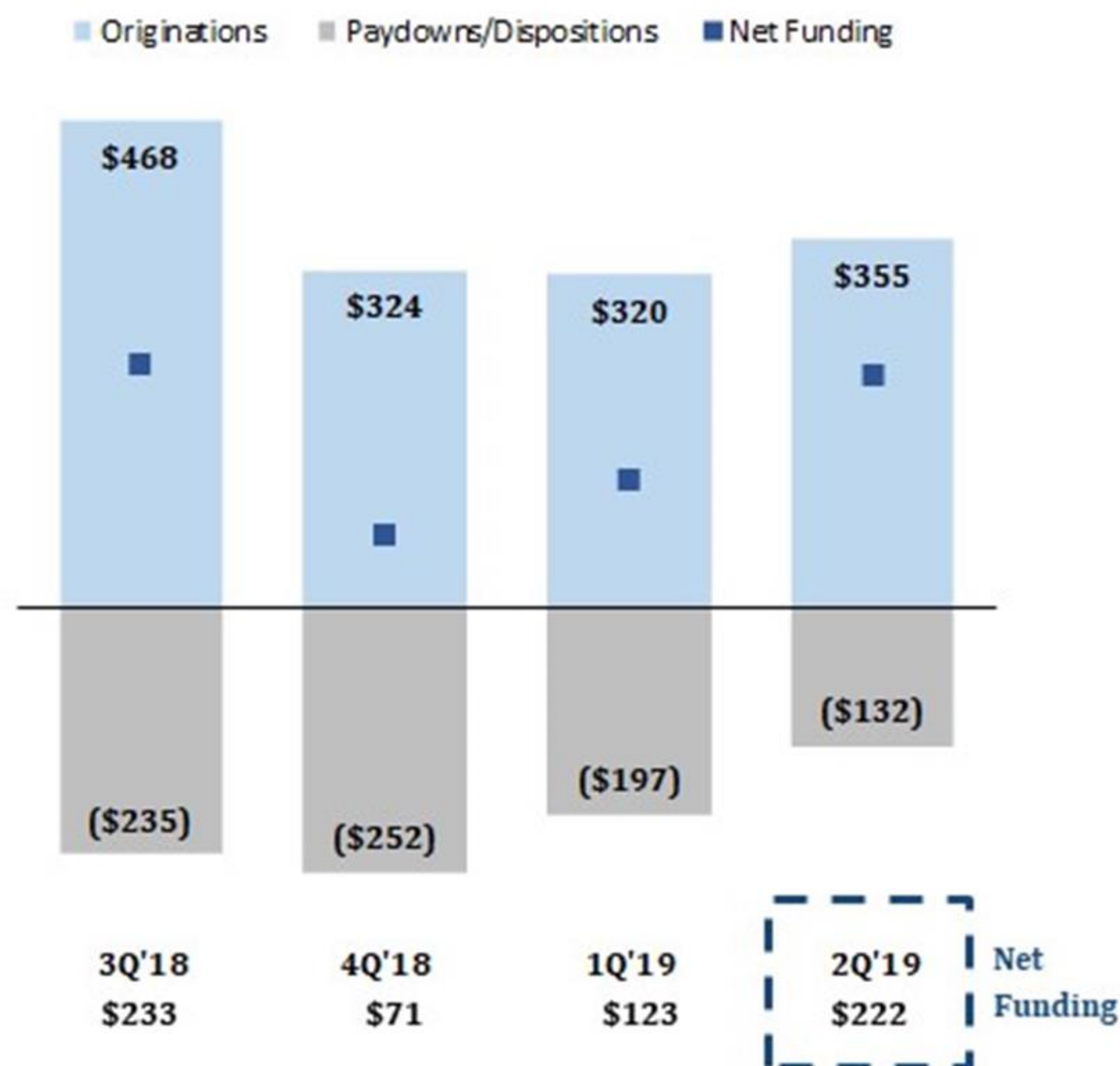


# Executive Summary

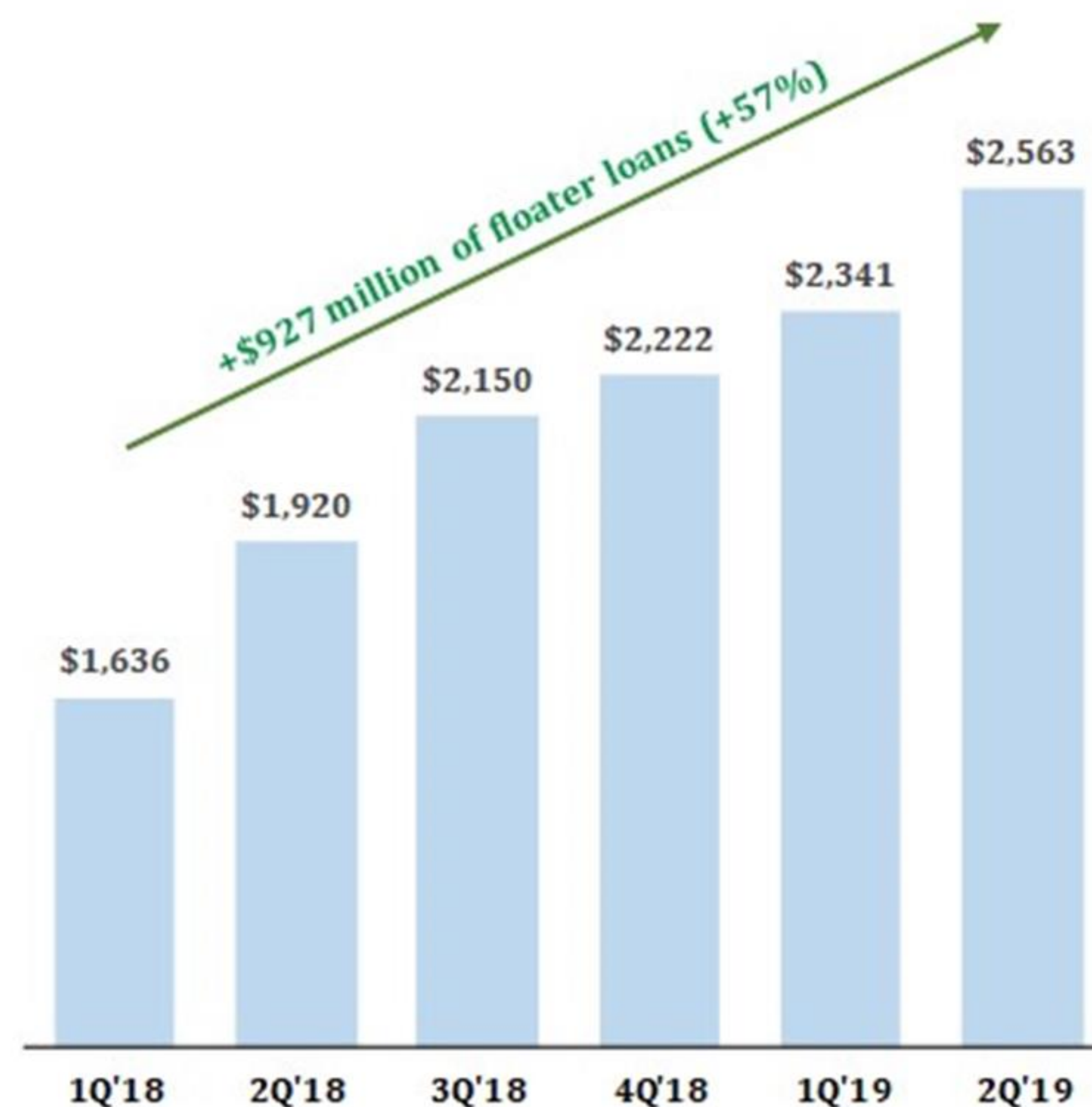
## Floating Rate Origination Volume

Grew the floating rate portfolio from \$1.6 billion to \$2.6 billion from Q1 2018 to today

### Net Investments



### Loans Portfolio Growth



Source: SEC filings

Numbers are in millions, unless otherwise indicated

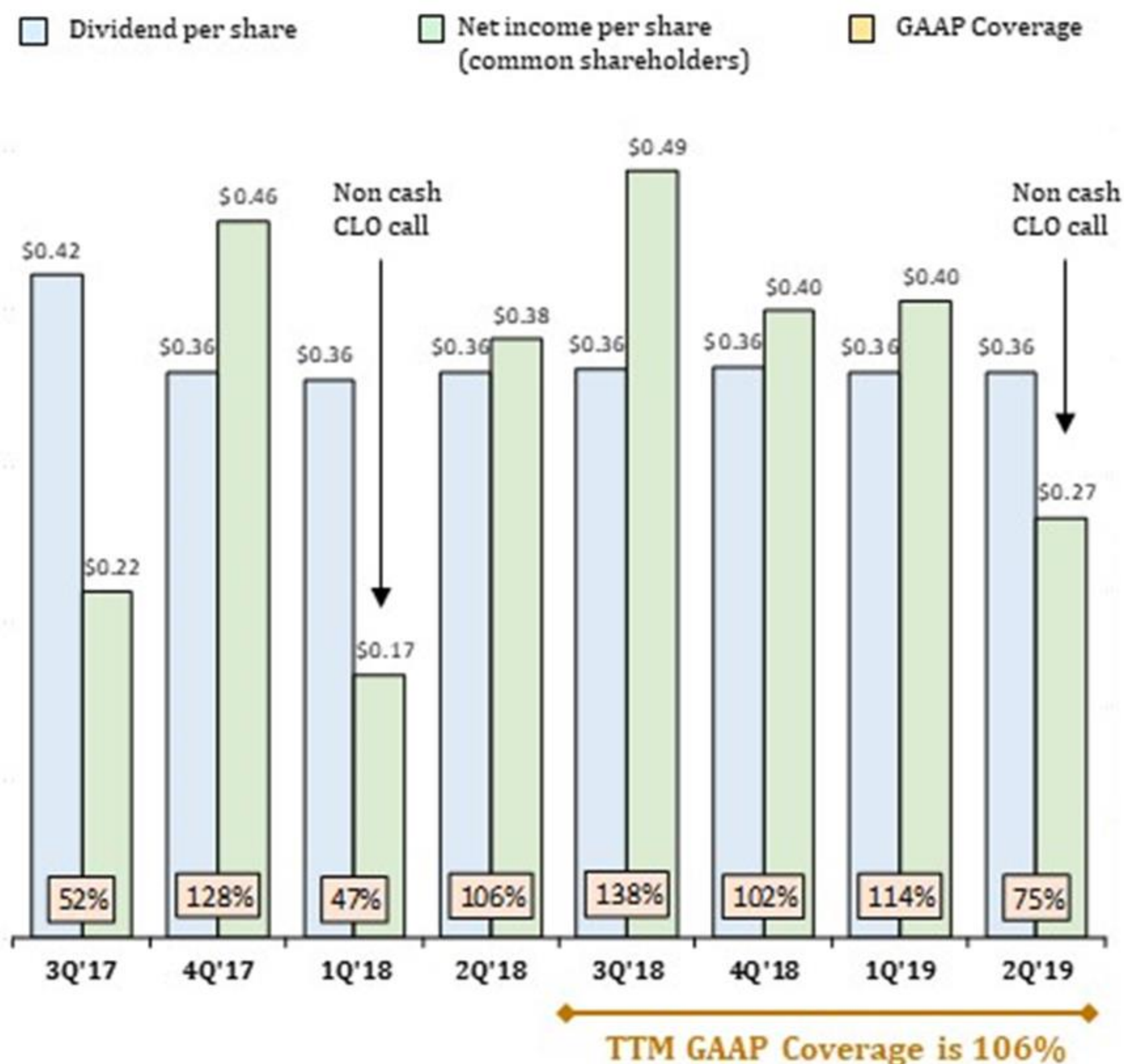
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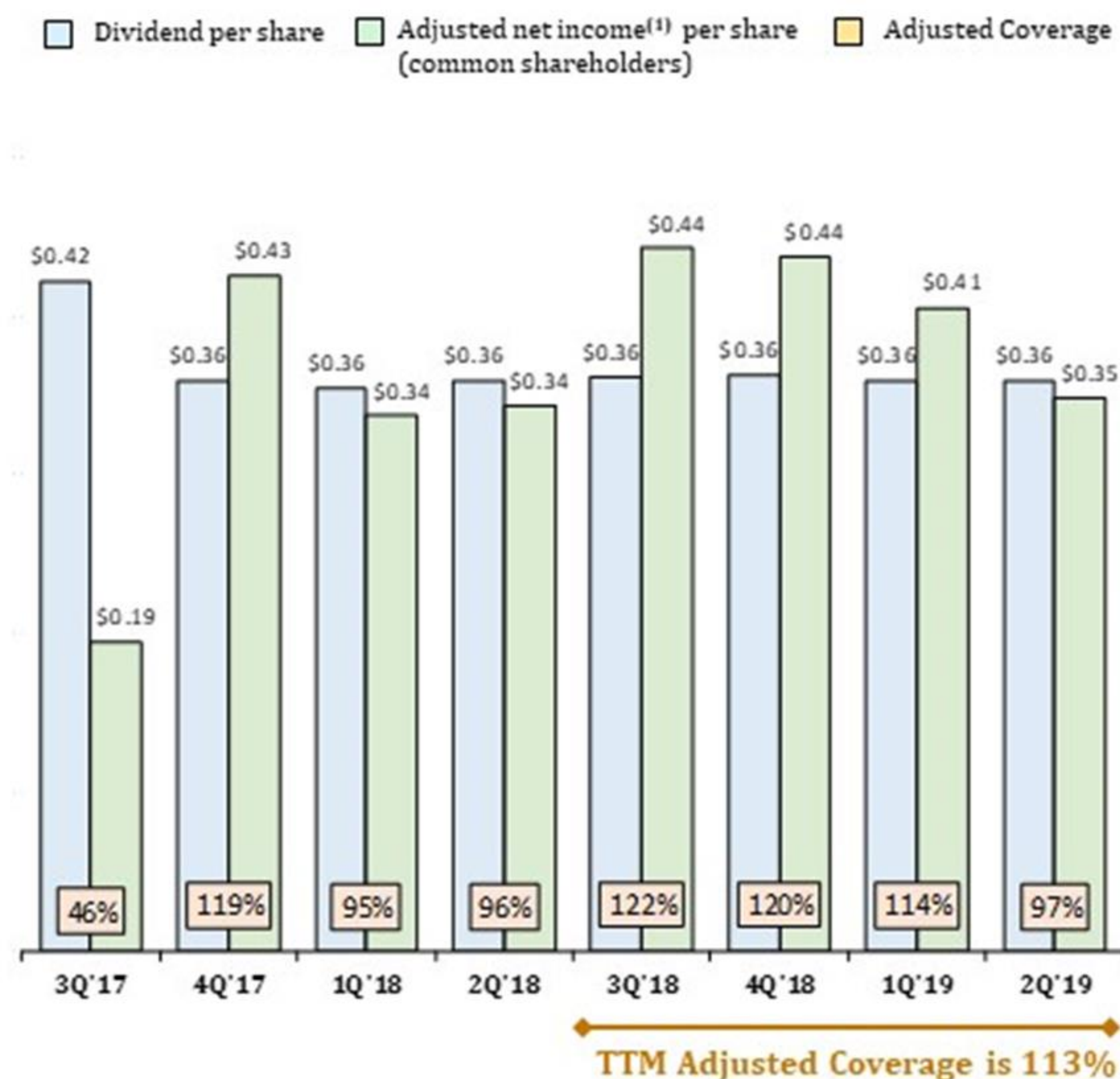
# Executive Summary

## Common Stock Dividend Coverage

### GAAP Dividend Coverage



### Adjusted<sup>(1)</sup> Dividend Coverage





# Executive Summary

## Quarterly Financial Highlights

*Numbers in thousands, except share and per share data*

	2Q'19	1Q'19	Change
Adjusted Net Income	\$17,861	\$19,920	(\$2,058)
Adjusted Net Income to CS, per share <sup>(2)</sup>	\$0.35	\$0.41	(\$0.06)
GAAP Net Income	\$14,527	\$19,890	(\$5,363)
GAAP Net Income to CS, per share	\$0.27	\$0.40	(\$0.13)
Distributions to common shareholders, per share	\$0.36	\$0.36	\$0.00
GAAP Dividend Coverage (CS) - % <sup>(1)</sup>	74.5%	114.0%	(39.5%)
Adjusted Dividend Coverage (CS) - % <sup>(2)</sup>	97.0%	114.2%	(17.2%)
Common Stock Book Value, per share	\$18.49	\$18.66	(\$0.17)
Total Equity Value	\$932,241	\$911,855	\$20,386
Total Assets	\$3,059,105	\$2,640,240	\$418,865
% of loans originated by BSP	94.9%	94.4%	0.5%
Debt	\$2,102,931	\$1,708,048	\$394,883
Debt/Equity Ratio	2.26x	1.87x	0.38x
Weighted Average Shares, for the quarter ended	41,239,548	39,798,215	1,441,333
Shares Outstanding	41,720,215	40,258,666	1,461,549

Source: SEC filings

Note: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ANY INVESTMENT INVOLVES SIGNIFICANT RISK, INCLUDING LOSS OF THE ENTIRE INVESTMENT.

(1) GAAP Net Income to common shareholders divided by distributions to common shareholders

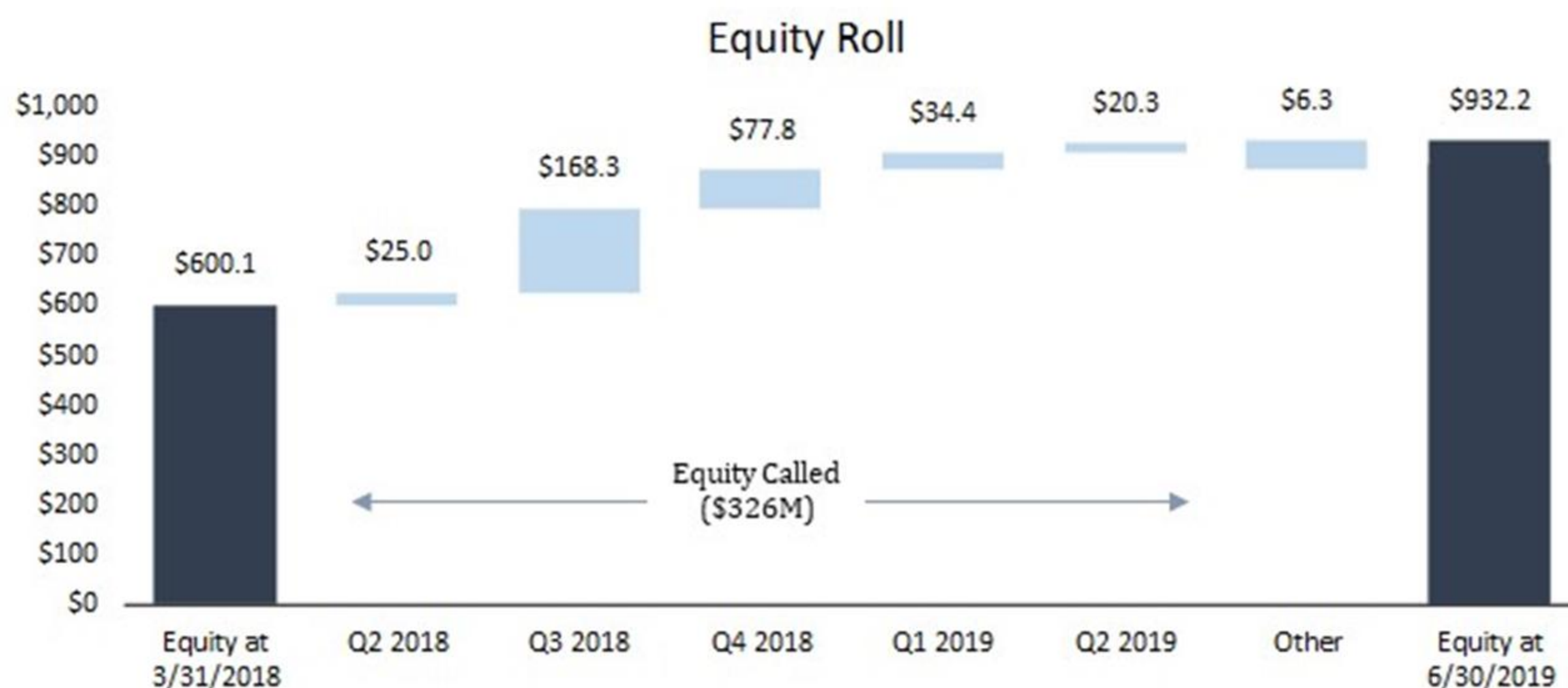
(2) Adjusted for (i) non-cash CLO amortization acceleration to effectively amortize issuance costs over the expected lifetime of the CLOs, (ii) unrealized gain and loss on loans and derivatives, and (iii) incentive fee



# Executive Summary

## Equity Raise Update

- Benefit Street Partners Realty Trust, Inc. raised \$375 million, and called \$326 million of new equity from institutional and affiliated shareholders in the past five quarters. New equity is composed of common stock and preferred equity
- Officers and employees of BSP Realty Trust and Benefit Street Partners committed approximately \$36 million of the \$375 million<sup>(1)</sup>



Source: SEC Filings

Note: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ANY INVESTMENT INVOLVES SIGNIFICANT RISK, INCLUDING LOSS OF THE ENTIRE INVESTMENT. VIEWS EXPRESSED AS THOSE OF BSP.

1. Includes investments from persons affiliated with the advisor at the time of purchase, but are no longer affiliated with the advisor.



# **SECTION I**

## **OVERVIEW OF ADVISER — BENEFIT STREET PARTNERS L.L.C. (“BSP”)**



# Section I – Overview of Adviser

## BSP Overview



**BSP is a leading credit-focused alternative asset management firm with over \$27 billion in assets under management<sup>1</sup>**

<b>Assets / Committed Capital Under Management</b>	\$27 billion <sup>1</sup>
<b>Investment Record</b>	10 years <sup>2</sup>
<b>Dedicated Investment Professionals</b>	~110 investment professionals
<b>Offices</b>	New York, Charlotte, Houston, Providence, Raleigh, San Francisco
<b>Investment Strategies</b>	Private Debt / Opportunistic Credit Long-Short Credit Long-Only Credit <b>Commercial Real Estate Debt</b> Special Situations
<b>Affiliate of Franklin Templeton</b>	Franklin Resources, Inc.(NYSE: BEN) is a leading global asset management firm with \$715B in total assets under management <sup>3</sup>

Notes:

1 AUM refers to the assets under management for all credit funds and separately managed accounts managed by BSP and its affiliates. AUM amounts are as of March 31, 2019 and are unaudited.

2 BSP's credit business began in 2008 with the launch of Providence Equity Capital Markets L.L.C., an affiliated adviser. BSP launched in 2011.

3 Assets under management as of June 30, 2019.



# Section I – Overview of Adviser

## Franklin Templeton's Global Platform



FRANKLIN  
TEMPLETON

Total Assets Under Management: \$715.2 Billion <sup>1</sup>

	Equity \$ 289.2 Billion	Fixed Income \$ 269.8 Billion	Multi-Asset/Balanced \$ 116.0 Billion	Alternatives \$ 42.2 Billion
<b>AUM:</b>				
<b>CAPABILITIES:</b>	<ul style="list-style-type: none"> <li>• Value</li> <li>• Deep Value</li> <li>• Core Value</li> <li>• Blend</li> <li>• GARP</li> <li>• Growth</li> <li>• Convertibles</li> <li>• Sector</li> <li>• Shariah</li> <li>• Smart Beta</li> </ul>	<ul style="list-style-type: none"> <li>• Government</li> <li>• Municipals</li> <li>• Corporate Credit</li> <li>• Bank Loans</li> <li>• Securitized</li> <li>• Multi-Sector</li> <li>• Currencies</li> <li>• Sukuk</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-Asset Income</li> <li>• Diversified Outcome-Oriented</li> <li>• Risk Premia</li> <li>• Smart Beta</li> <li>• Balanced Allocation</li> <li>• Target Date/Risk</li> <li>• Model Portfolios</li> <li>• Inflation Protection</li> <li>• Managed Volatility</li> </ul>	<ul style="list-style-type: none"> <li>• Commodities</li> <li>• Infrastructure</li> <li>• Real Estate</li> <li>• Hedge Funds</li> <li>• Private Equity</li> <li>• Private Debt</li> </ul>
<b>INVESTMENT TEAMS:</b>	<ul style="list-style-type: none"> <li>• Franklin Equity Group (1947)</li> <li>• Franklin LAM-Developed Markets Equity (1993)</li> <li>• Franklin Mutual Series (1949)</li> <li>• Franklin Templeton Emerging Markets Equity (1987)</li> <li>• Templeton Global Equity Group (1940)</li> <li>• Edinburgh Partners (2003)</li> </ul>	<ul style="list-style-type: none"> <li>• Franklin LAM-Fixed Income (1993)</li> <li>• Franklin Templeton Fixed Income Group (1970)</li> <li>• Templeton Global Macro (1986)</li> </ul>	<ul style="list-style-type: none"> <li>• Franklin Templeton Multi-Asset Solutions (1948)</li> <li>• Franklin Systematic (2012)</li> </ul>	<ul style="list-style-type: none"> <li>• Franklin Real Asset Advisors (1984)</li> <li>• Benefit Street Partners (2008)</li> <li>• Darby Overseas Investments (1994)</li> <li>• K2 Advisors (1994)</li> <li>• Pelagos (2005)</li> </ul>

1. Source: Franklin Templeton (FT), as of 6/30/19, based on latest available data. Total combined Assets Under Management (Total AUM) combines U.S. and non-U.S. AUM of the investment management subsidiaries of the parent company, Franklin Resources, Inc. (FRI) [NYSE: BEN], a global investment management organization operating as FT. Only selected business entities within FT claim compliance with the GIPS standards as described in the table of contents if applicable. Total and platform AUM includes discretionary and non-discretionary accounts, including pooled investment vehicles, separate accounts and other vehicles. Total and platform AUM may also include advisory accounts with or without trading authority. In addition, assets for which certain FT advisers provide limited asset allocation advisory services, and assets that are not allocated to FT products are not included in the AUM figures shown. Franklin Templeton Multi-Asset Solutions may invest in various investment platforms advised by a number of investment advisory entities within FT. Platform AUM reported for FT Multi-Asset Solutions therefore may include certain AUM separately reported under each utilized investment platform. Total AUM also includes assets managed by certain FT advisers that do not form part of the selected investment platforms shown. As a result, the combined platform AUMs may not equal Total AUM and may be calculated and reported separately for regulatory or other purposes under each investment adviser. Each local asset manager may be considered as an entity affiliated with or associated to FT by virtue of being a direct or indirect wholly-owned subsidiary of FRI, an entity or joint venture in which FRI owns a partial interest, which may be a minority interest, or a third party asset management company to which investment advisory services have been delegated by an FT adviser.



## **SECTION II – FINANCIAL UPDATE**



# Section II – Financial Update

## Net Asset Value Per Share



- The board of directors unanimously approved an estimated net asset value (“NAV”) per share of \$18.75 as of September 30, 2018
- The company’s current book value per share and DRIP offer is \$18.49



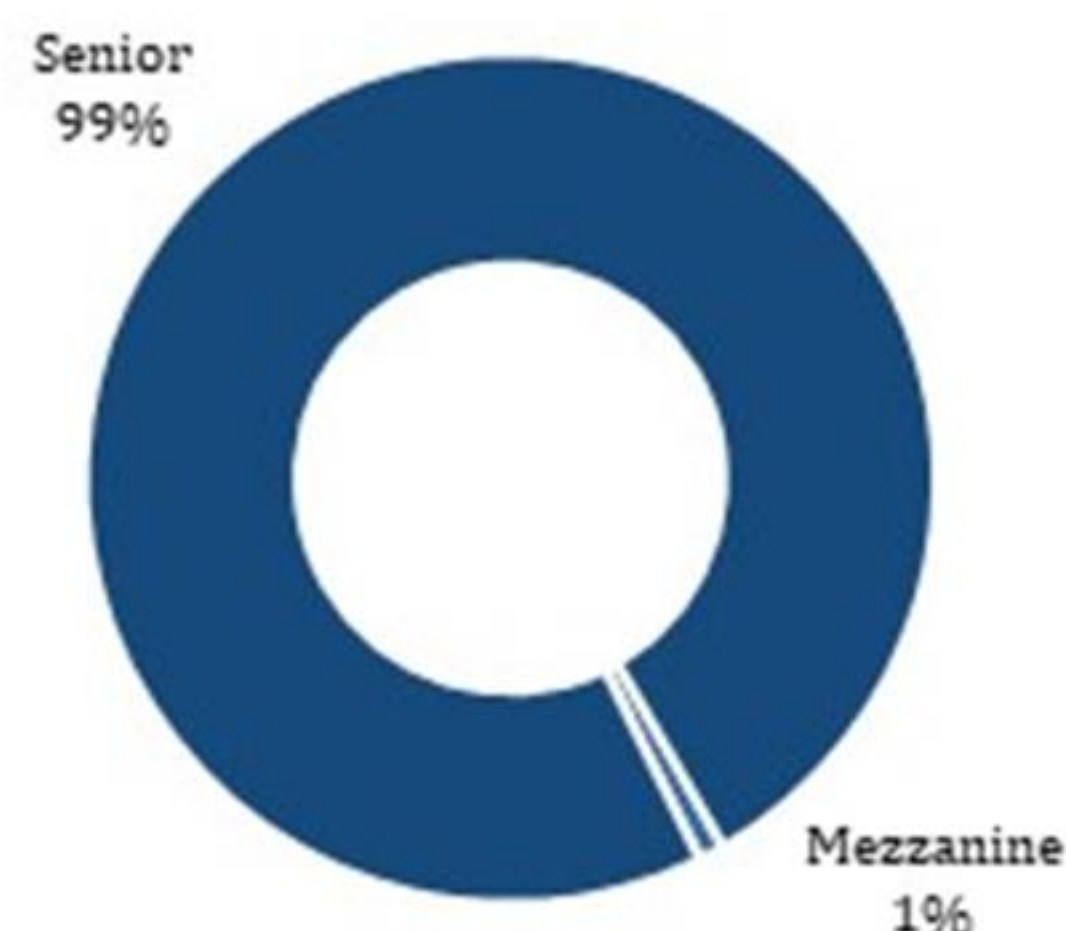
# Section II – Financial Update

## Floating Rate Portfolio Composition at 6/30/2019

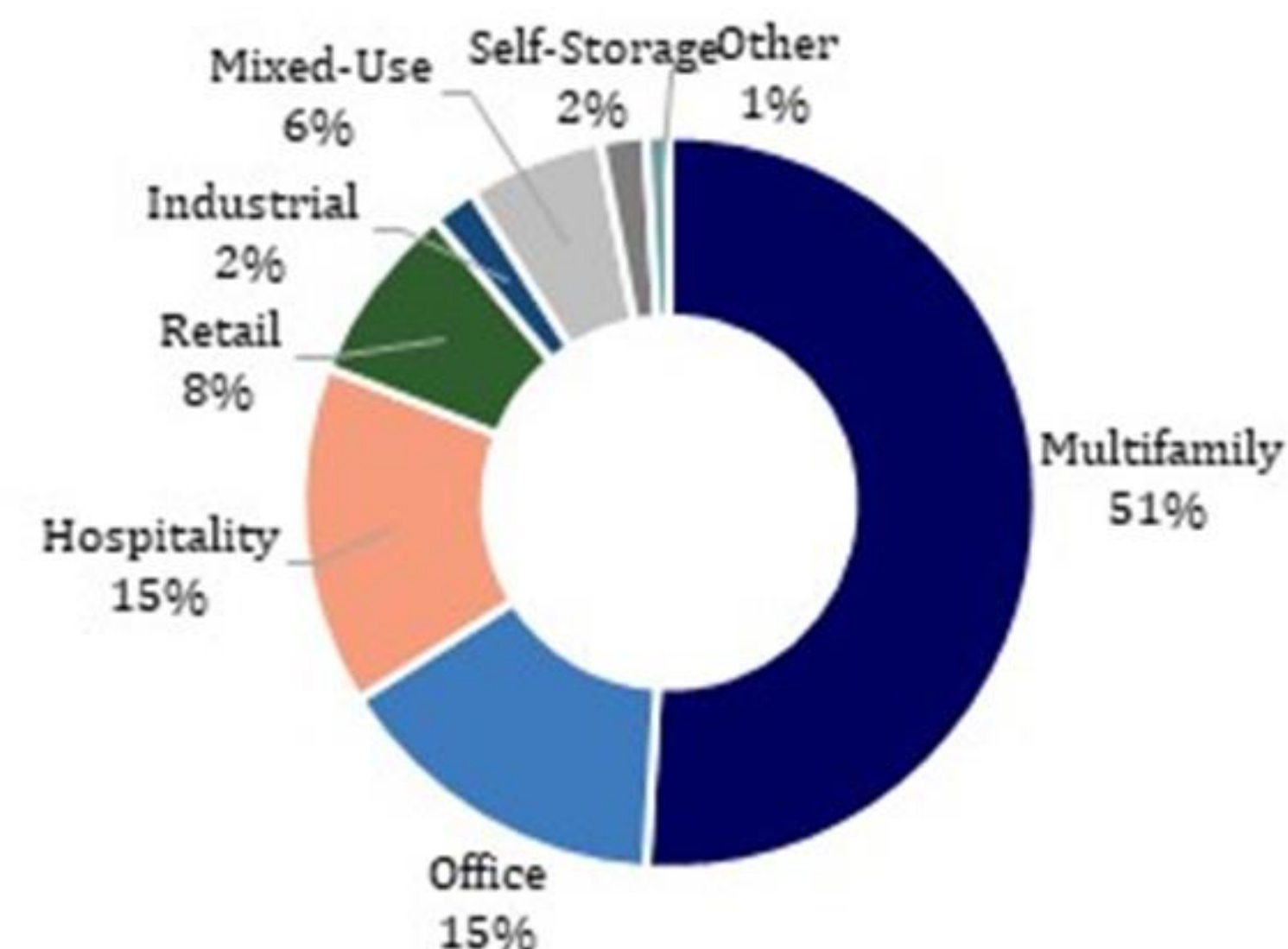
### Portfolio Overview

- Diversified portfolio by geography and property type
- Total portfolio of \$2.6 billion
- 103 senior loans with average size of ~\$25 million
- 3 mezzanine loans with average size of ~\$12 million

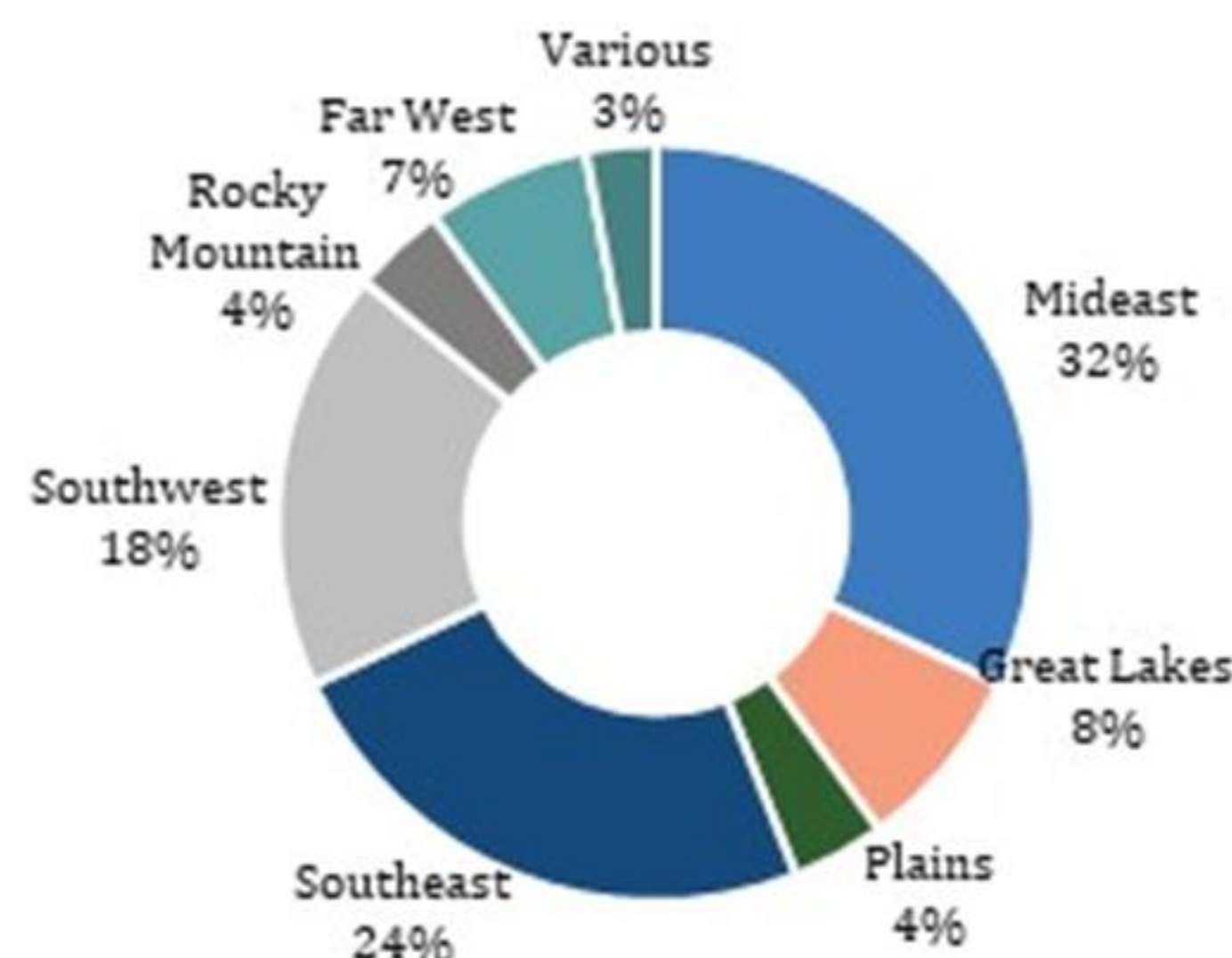
### Portfolio Summary



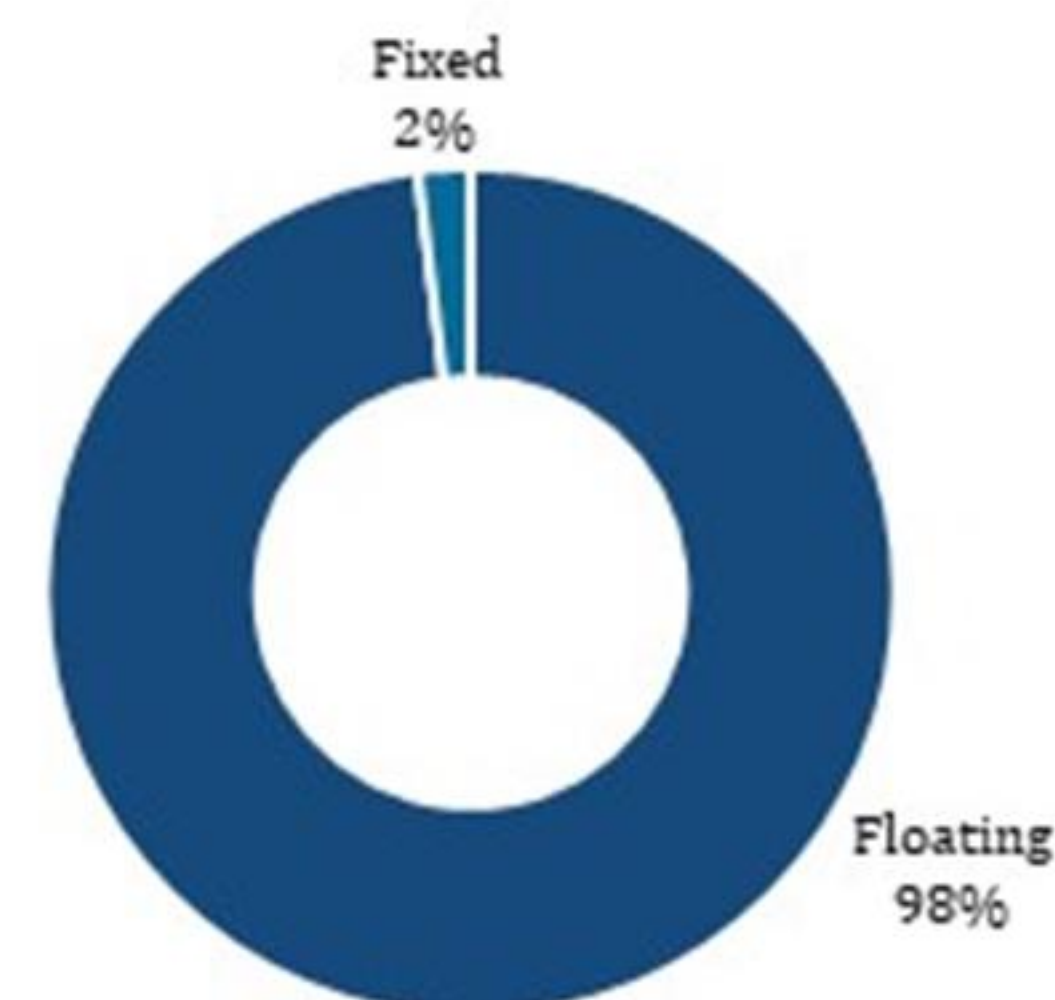
### Collateral Summary



### Collateral by Region



### Rate Type



Source: SEC filings

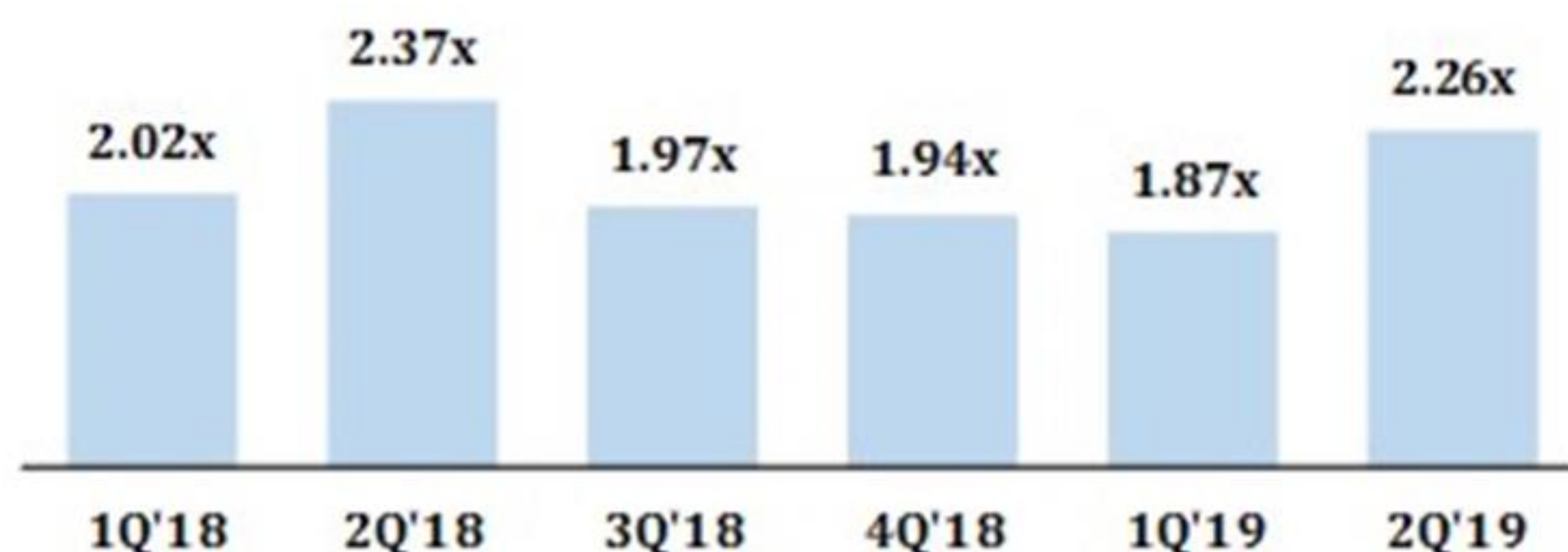
Note: Views expressed are those of BSP



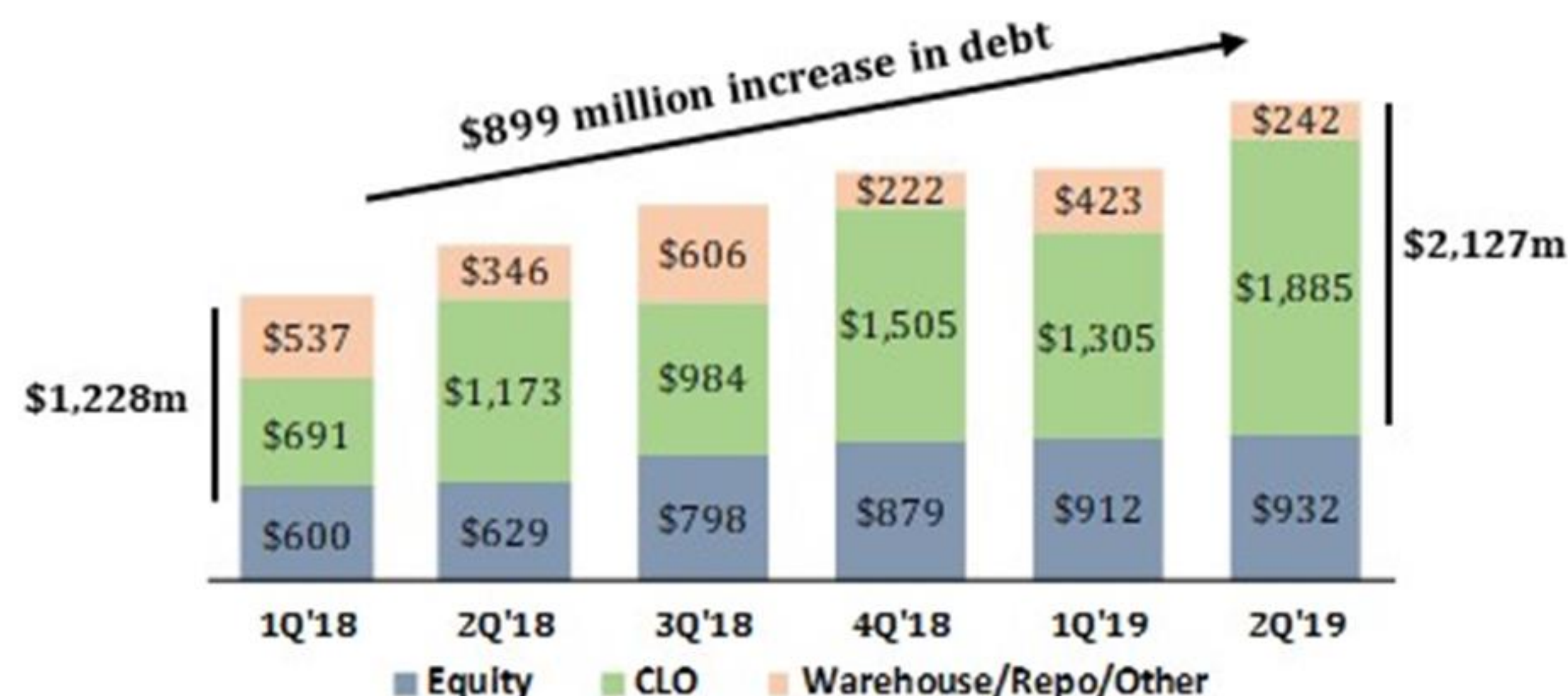
# Section II – Financial Update

## Debt and Leverage at 6/30/2019

### Leverage (Debt/Equity)



### Capitalization



### Financing Lines Available

2019 additions

#### Warehouse/Revolver

JP Morgan	\$520 million
Wells Fargo	\$175 million
Credit Suisse	\$300 million
US Bank	\$100 million
Barclays (Warehouse)	\$300 million
Barclays (Revolver)	\$100 million
<b>Total</b>	<b>\$1,495 million</b>

#### CLOs (1)

BSPRT 2017-FL1	Called in Q2
BSPRT 2017-FL2	\$105 million
BSPRT 2018-FL3	\$488 million
BSPRT 2018-FL4	\$673 million
BSPRT 2019-FL5 (2)	\$639 million
<b>Total</b>	<b>\$1,905 million</b>

1. Outstanding balance at June 30, 2019

2. Closed in May 2019 and is net of the tranche BSPRT holds. Including the tranche held by BSPRT, total debt amount is \$664 million

Source: SEC filings. Numbers are in millions, unless otherwise indicated

Note: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ANY INVESTMENT INVOLVES SIGNIFICANT RISK, INCLUDING LOSS OF ENTIRE INVESTMENT.



# Section II – Financial Update

## Income Statement

<i>Numbers in millions</i>	2Q'19		Total
	Floating Rate	Conduit	
Interest Income	\$46.8	\$1.4	\$48.2
Interest Expenses	(25.3)	(0.6)	(25.9)
Gain on Conduit and Loan Sale	(0.0)	7.2	7.2
Operating Expenses, Taxes and Other	(8.6)	(3.4)	(12.0)
Realized/Unrealized gain/(loss)	(0.1)	(3.0)	(3.1)
<b>GAAP Net Income</b>	<b>\$12.8</b>	<b>\$1.7</b>	<b>\$14.5</b>
Adjustments <sup>(1)</sup>	2.0	1.4	3.3
<b>Adjusted Net Income</b>	<b>\$14.8</b>	<b>\$3.1</b>	<b>\$17.9</b>
GAAP Dividend Coverage - %			74.5%
Adjusted Dividend Coverage - %			97.0%

(1) Adjusted for (i) non-cash CLO amortization acceleration to effectively amortize issuance costs over the expected lifetime of the CLOs, (ii) unrealized gain and loss on loans and derivatives, and (iii) incentive fee

Source: SEC filings

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# Section II – Financial Update

## Portfolio Credit Quality

Investment Rating	Summary Description	2Q'19	1Q'19
1	Investment exceeding fundamental performance expectations and/or capital gain expected. Trends and risk factors since time of investment are favorable.	0	0
2	Performing consistent with expectations and a full return of principal and interest expected. Trends and risk factors are neutral to favorable.	95	89
3	Performing investments requiring closer monitoring. Trends and risk factors show some deterioration.	10	9
4	Underperforming investment with the potential of some interest loss but still expecting a positive return on investment. Trends and risk factors are negative.	0	1
5	Underperforming investment with expected loss of interest and some principal.	1	1
<b>AVERAGE RISK RATING</b>		<b>2.1</b>	<b>2.1</b>
Loans in non-accrual status		2	1
Loans on watch list		2	1

Source: SEC filings

Note: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ANY INVESTMENT INVOLVES SIGNIFICANT RISK, INCLUDING LOSS OF THE ENTIRE INVESTMENT. Investment rating categories and ratings determined by BSP.



## **SECTION III**

# **STRATEGIC INITIATIVES**



# Section III – Strategic Initiatives

## Objectives

- 1 Establish BSP Realty Trust as a Best-In-Class mortgage REIT
- 2 Position BSP Realty Trust for a liquidity event

Leverage Franklin Templeton and BSP platforms	Increase scale & optimize balance sheet
Prudently invest capital	Focus on governance
Grow dividend	Conform with public company peers
Stabilize book value	Transparent investor relations
Improve quality of earnings	Robust regulatory compliance

Note: There can be no assurance that BSP Realty Trust will be able to implement its investment strategy or achieve its investment objectives. Views expressed are those of BSP.



**Our potential risks and uncertainties are presented in the section titled “Item 1A. Risk Factors” disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017. The following are some of the risks and uncertainties, although not all risks and uncertainties, that could cause our actual results to differ materially from those presented in our forward-looking statements:**

- ☐ We rely on short-term secured borrowings which creates refinancing risk and the risk that a lender may call for additional collateral, each of which could significantly impact our liquidity position.
- ☐ All of our executive officers are also officers or managers Benefit Street Partners L.L.C. (our "Adviser"). As a result, our executive officers, our Adviser and its affiliates face conflicts of interest, including significant conflicts created by our Adviser's compensation arrangements with us and conflicts in allocating time among these entities and us, which could negatively impact our operating results.
- ☐ We terminated our primary offering in January 2016 and therefore, absent raising capital from other sources, will have less cash from financing activities with which to make investments, repay indebtedness, fund our operations or pay distributions.
- ☐ No public trading market currently exists, or may ever exist, for shares of our common stock and our shares are, and may continue to be, illiquid.
- ☐ Increases in interest rates could increase the amount of our debt payments and limit our ability to pay distributions to our stockholders.
- ☐ If we and our Adviser are unable to find sufficient suitable investments, then we may not be able to achieve our investment objectives or pay distributions.
- ☐ We may be unable to pay or maintain cash distributions or increase distributions over time. Our board of directors may decide that maintaining cash distributions at current levels is not in our best interests given investment opportunities or for other reasons.
- ☐ We are obligated to pay substantial fees to our Adviser and its affiliates.
- ☐ We may fail to continue to qualify to be treated as a real estate investment trust ("REIT") for U.S. federal income tax purposes.
- ☐ We may be deemed to be an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and thus subject to regulation under the Investment Company Act.
- ☐ We update our estimated net asset value per share annually and such estimate may change significantly between these annual calculations.



- Investor and Financial Advisors can call (844) 785-4393 for account information, balances and the status of submitted paperwork
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- Financial Advisors may view client accounts, statements and tax forms at [www.dstvision.com](http://www.dstvision.com)
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- Shareholders may access their accounts at [www.bsprealtytrust.com](http://www.bsprealtytrust.com)



[www.bsprealtytrust.com](http://www.bsprealtytrust.com)