



To the Shareholders of First Capital Real Estate Trust Incorporated:

When First Capital Real Estate Trust Incorporated (the “Company”) first launched shares were offered at \$10.49 per the prospectus filed by the Company with the SEC on August 16, 2012. Since then, the reported NAV has increased with the last reported price at \$16.03 per share, as per form 8K filed by the Company with the SEC on July 15, 2016. To date, the Company has acquired a portfolio of assets that includes land development, multifamily development, a gas station, hotels, medical offices, transitional housing and business offices. The Company recently announced it has entered into a master agreement with Evergreen Communities, Inc. and La Jolla Pacific Investments LLC, energy conscious home developers based in Roseville, California. The master agreement, which is subject to approval by the Board, provides for the acquisition of a mix of fee interest and contract rights for 8 different residential development properties in Northern California. These properties contain a total of 2,026 single family residential lots. This potential investment meets the Company’s dual strategy outlined in the prospectus filed August 16, 2012.

In order to increase its cash reserves the Company has suspended monthly distributions effective as of November 1, 2016. The Company intends to make the October distribution to the holders of common stock no later than November 30, 2016. Investors should carefully read the current report on form 8-K filed by the Company with the SEC on October 21, 2016.

The Board has engaged Ladenburg Thalmann Financial Services Inc. as advisor to review strategic alternatives available to the Company. Pursuant to the terms of the engagement, the Board has initiated a review process to identify and consider a range of strategic transactions at the asset or entity level, with the goal of maximizing long-term shareholder value.

The Board has not approved the Company’s entry into any particular transaction at this time, and there are no assurances that the review of the Company’s strategic alternatives will result in any transaction. The Company does not anticipate that it will further comment on or disclose developments regarding this process unless it believes further disclosure is appropriate or required.

We thank you again for entrusting the Company with your investment goals. If you have any questions, please reach out to our investor relations team at info@firstcapitalre.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Suneet Singal", is positioned above the printed name.

Suneet Singal
Chairman & CEO