



J.E. ROBERT
C O M P A N I E S



JER INVESTORS
TRUST

Mark Weiss, President

Safe Harbor

Certain items in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. JER Investors Trust can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from JER Investors Trust's expectations include, but are not limited to, changes in the real estate and bond markets, our continued ability to source new investments, and other risks detailed from time to time in JER Investors Trust's SEC reports. Such forward-looking statements speak only as of the date of this presentation. JER Investors Trust expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in JER Investors Trust's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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- ☐ **JER Investors Trust Inc**
- ⊕ **Company Highlights**
- ⊕ State of the Market and JRT
- ⊕ Summary Financial Data

JER Investors Trust Inc: Public Mortgage REIT

- Specialty Finance Company
 - Product focus
 - Commercial real estate debt products
 - No Residential or Sub-Prime Mortgage or RMBS
 - Real Estate Investment Trust (REIT)
 - Publicly-traded company
 - Initial Public Offering: June 2005
 - Listed NYSE: JRT

Targeted Investments (Real Estate Related)*

- CMBS
- Mezzanine / B-Notes
- Whole Loans
- NNN Loans
- Preferred Equity

*All commercial real estate except for one \$17.5 million mezzanine real estate loan collateralized by garden-style apartments located in Florida that have been converted to "for sale" condominiums.

Focused Investment Strategy

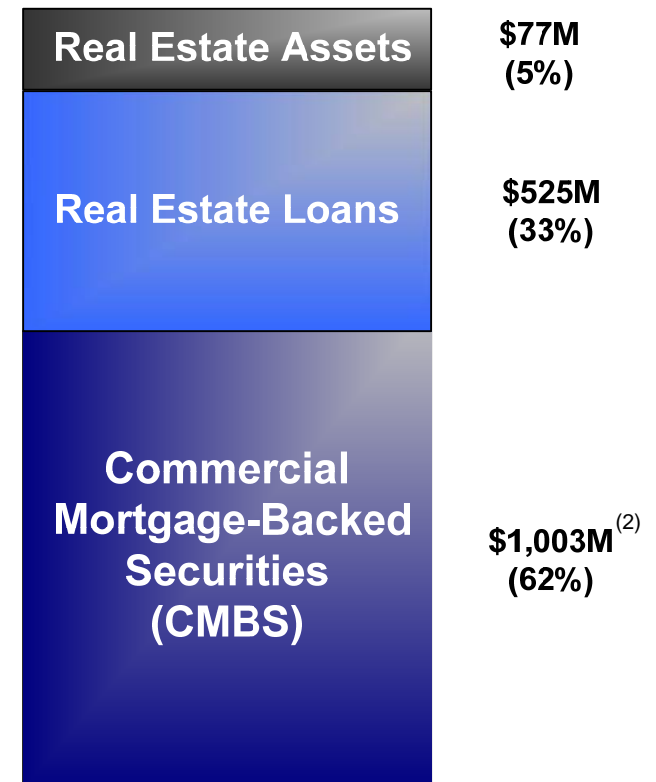
Investment Strategy

- Underwrite real estate credit risk
 - Leverage JER special servicer capability
- Build a diversified portfolio
- Employ moderate, “Match fund” leverage
 - Interest rate risk management
 - Term risk management
- Generate attractive risk adjusted returns
- Payout consistent and sustainable earnings to shareholders

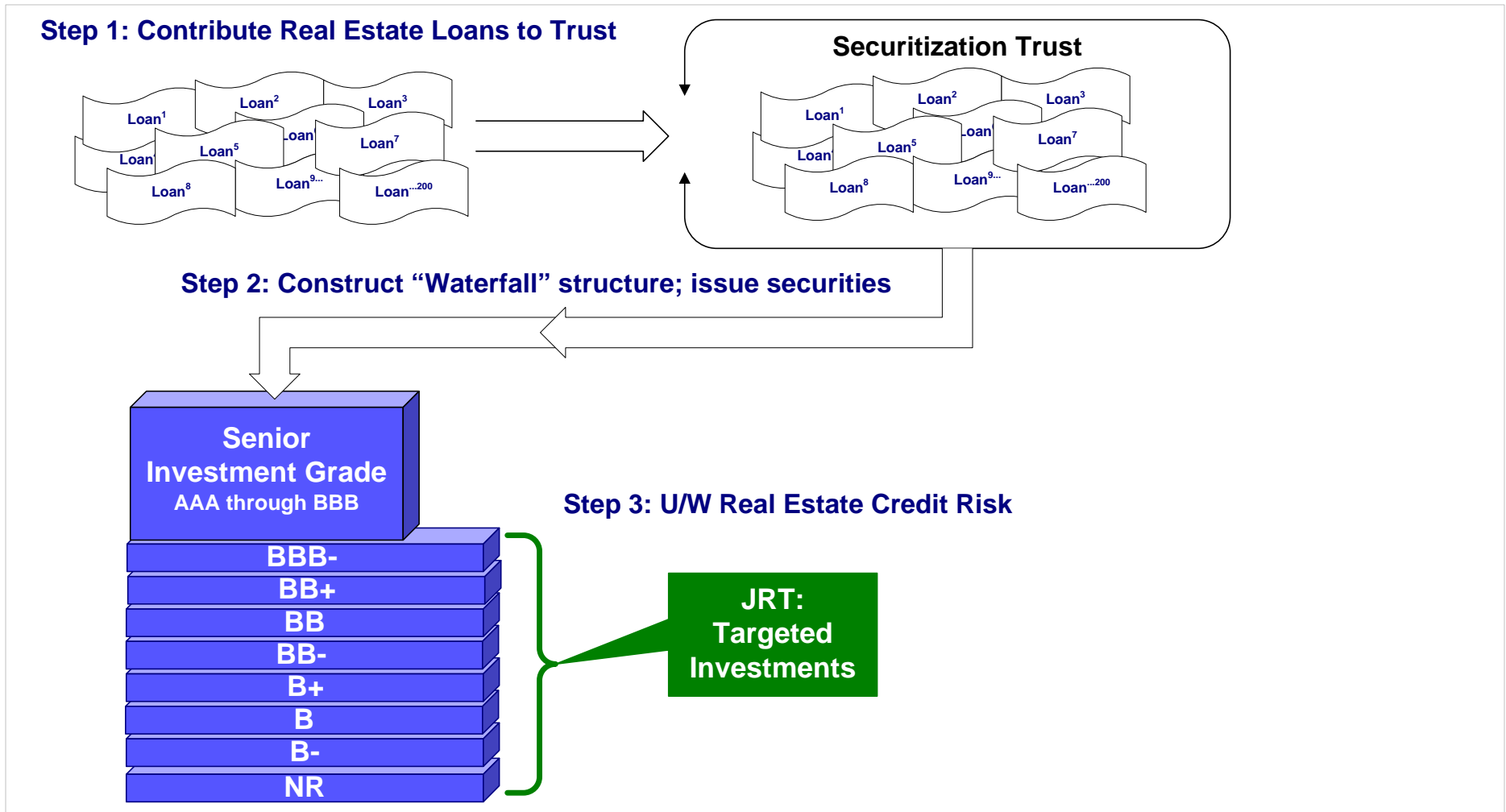
(1) Represents cost basis; GAAP carrying value is approximately \$1.5B at September 30, 2007.

(2) CMBS fair value and GAAP carrying value is approximately \$866M at September 30, 2007.

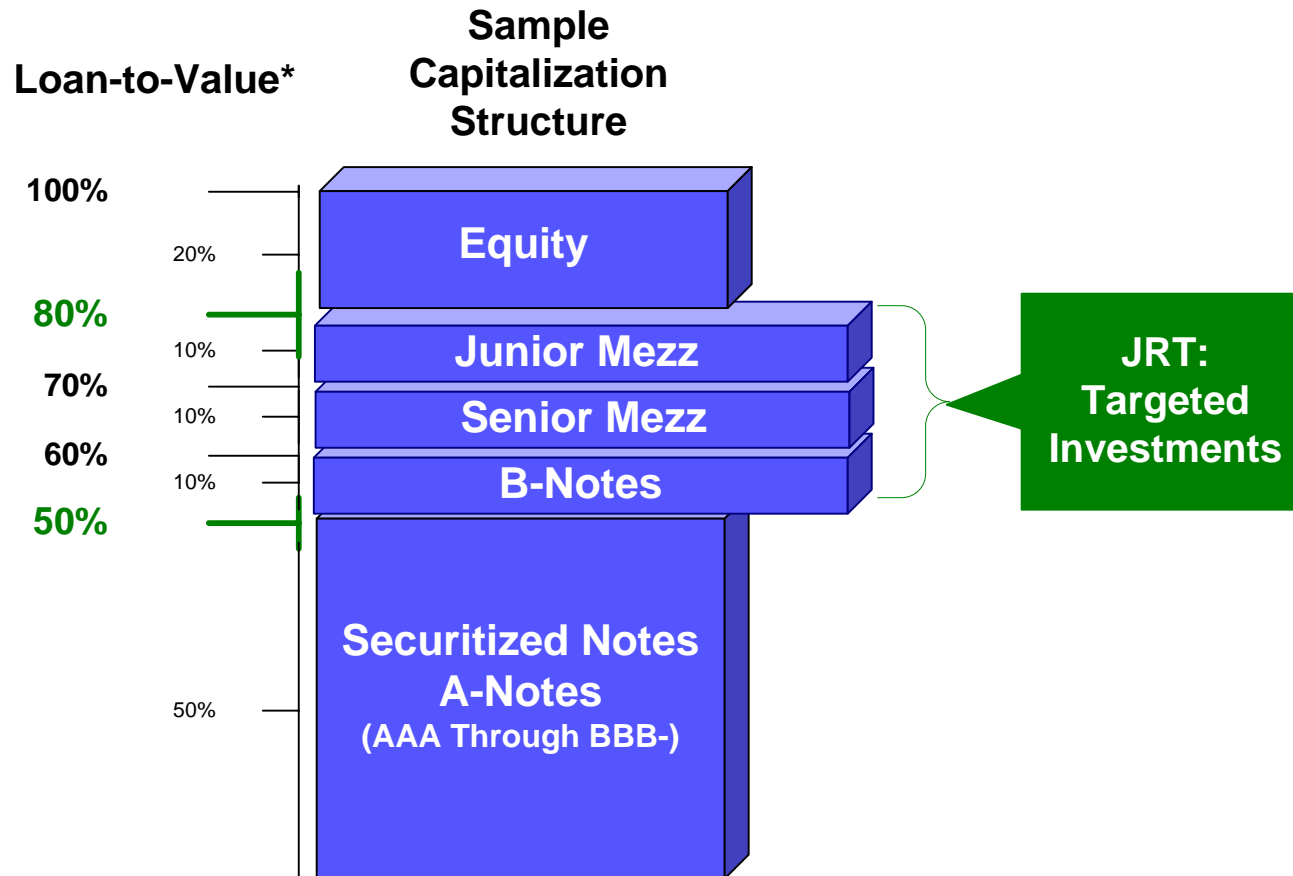
\$1.6B Investment Portfolio⁽¹⁾ As of September 30, 2007



Targeted Investments – Subordinate CMBS



Targeted Investments – Leveraged Real Estate

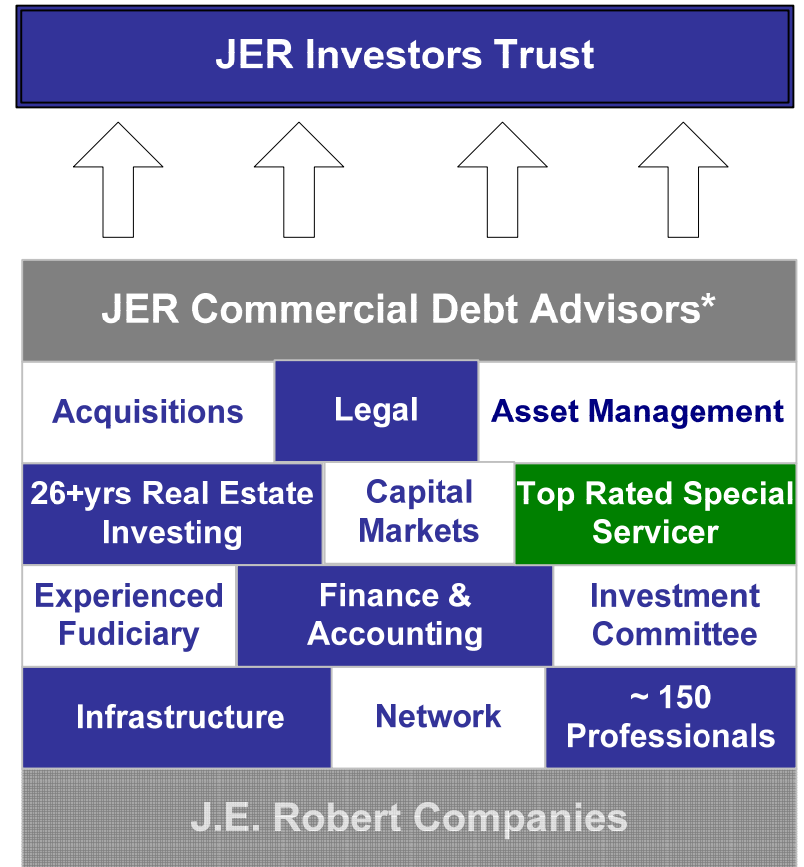


* LTVs are for illustrative purposes; actual LTVs will vary by transaction

Experienced Manager with Special Servicer Capability

Sponsored/Externally Managed

- Affiliate of the J.E. Robert Company, Inc. (JER)
 - Fully-integrated, commercial real estate investment and management firm
 - Experienced fiduciary since 1981
 - 8 Private equity funds; more than \$4B in equity commitments
 - North America, Europe & Russia
 - Broad relationships over 26 years
 - Strong annual deal flow
 - Deep institutional network



* Affiliate of J.E. Robert Companies

Alignment of Interests

Manager Overview

- Management investment of approximately \$25 million
- Fee structure
 - Base fee: calculated as a % of equity, excluding unrealized gains/losses
 - 2.0% up to \$400M, plus
 - 1.5% between \$400M and \$800M, plus
 - 1.25% over \$800M
 - Quarterly incentive fee: 25% of FFO (as defined) in excess of the target threshold equal to the greater of:
 - 9.0% (annualized); or
 - Ten-year treasury + 350 bps (annualized)
 - Based on weighted average offering share price of \$16.49

Governance Structure

Manager Overview

Governance Structure

JER Investors Trust Inc.

Board of Directors

External Manager

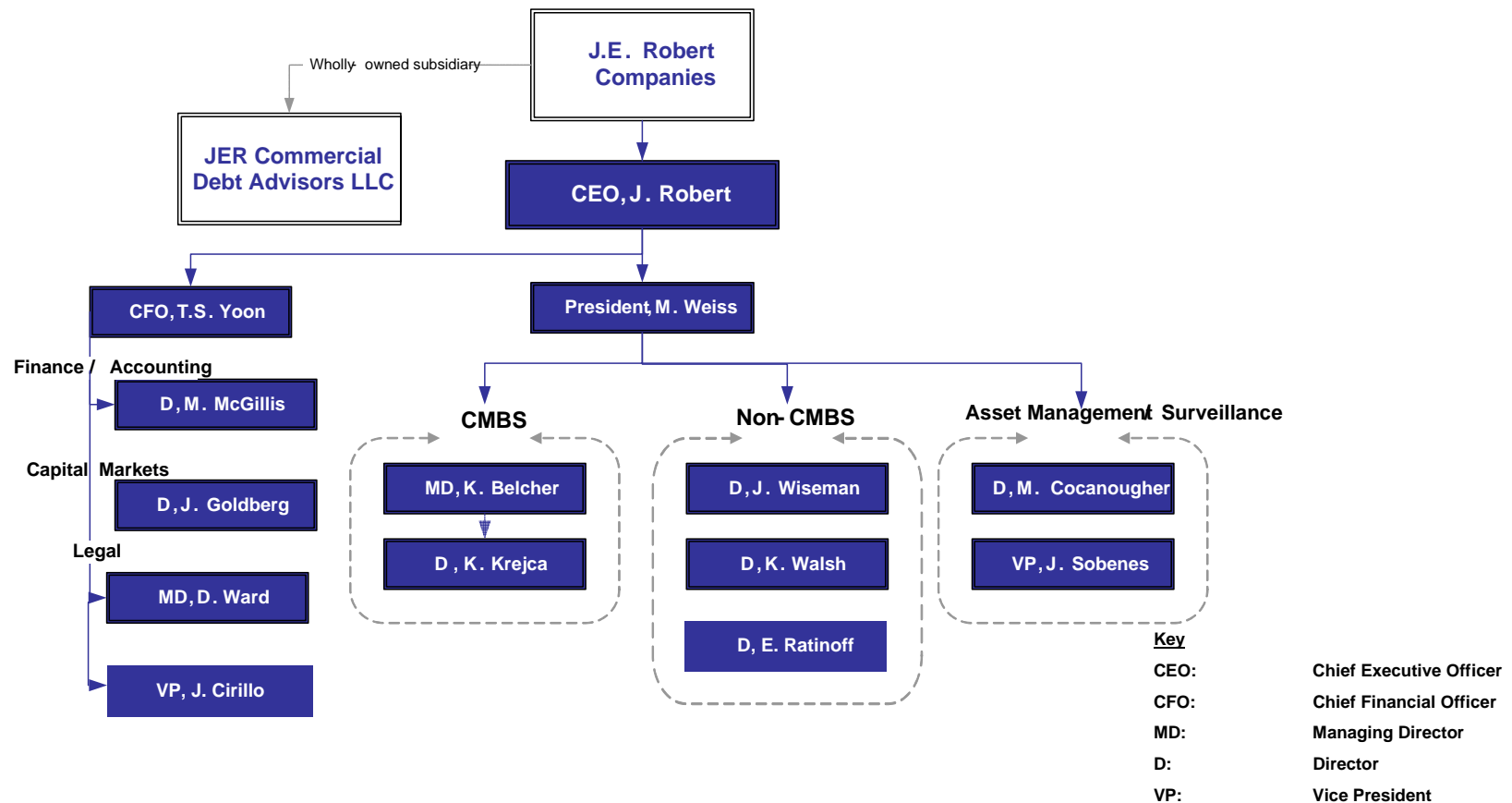
JER Commercial Debt Advisors LLC

- Chairman of the Board (JER): J. Robert, Jr.
- Director (JER): M. Weiss
- Director (JER): K. Belcher
- Director (Independent): D. Altobello
- Director (Independent): J. Kimsey
- Director (Independent): R. Ramsey
- Director (Independent): P. Linneman
- Director (Independent): F. Caufield

Management Team

Manager Overview

Management Team



Competitive Strengths

Competitive Strengths

Origination Capabilities: Leverage the JER franchise

- Numerous long-term relationships translate into exceptional deal flow
- Over 40 investment and asset management professionals active in sourcing



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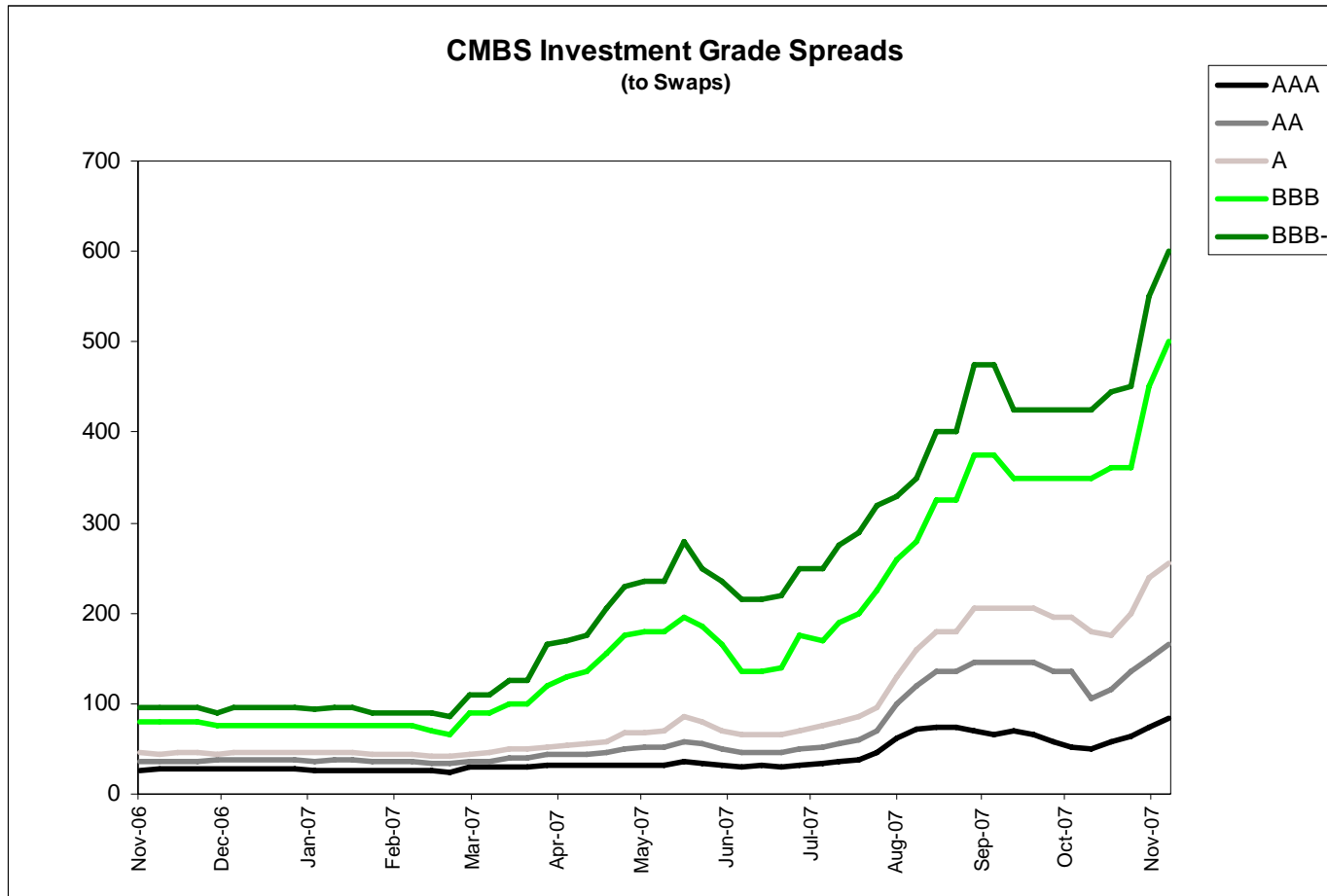
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General Market Overview

Market Overview

- CRE Fundamentals
 - Performance of real estate loans serving as collateral for our CMBS portfolio has generally remained consistent with underwriting
 - No delinquencies in the JRT Real Estate Loan and Asset Portfolios
- Capital Markets
 - Taint of the residential sub-prime market
 - Upheaval in the CRE CDO market and implications for cost/leverage
 - Widening of CMBS spreads
- Deal Flow
 - CMBS execution is weak
 - Limited new loan production
 - Overhang of mezzanine paper

Historical CMBS Spreads



Source: Morgan Stanley

JRT: Liquidity Overview

- **Long-term Financing Not Subject to Margin Calls**
 - 79% of CMBS assets financed via two CDO's*
- **Short-term Repo Facilities**
 - \$650 million in total borrowing capacity – three separate facilities
 - \$285 million outstanding as of September 30, 2007
- **Cash - Unrestricted**
 - \$66 million of cash on hand as of September 30, 2007
 - \$92 million of cash on hand as of November 6, 2007
- **Unleveraged Assets**
 - \$77 million of Real Estate Assets and \$17 million of Real Estate Loans held without leverage as of September 30, 2007
 - Sold 50% interest in Real Estate Assets for \$39 million on October 30, 2007

*Based on September 30, 2007 Fair Value

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Summary Financial Data: Assets

Assets (millions)

	<u>9/30/07</u>
Assets:	
Cash	\$65.8
CMBS, at fair value	865.7
Real Estate Loans	524.8
Real Estate Assets	76.7
Other	29.1
Total Assets	\$1,562.1
Liabilities:	
Notes Payable	\$974.6
Repurchase Agreements	285.0
Junior Subordinated Debentures	61.9
Dividends Payable	11.6
Other	9.9
Total Liabilities	\$1,343.0
Stockholders' Equity	\$219.1

CMBS	
Issuances:	26
Cost Basis:	\$1,002.6
Average YTM:	8.6%

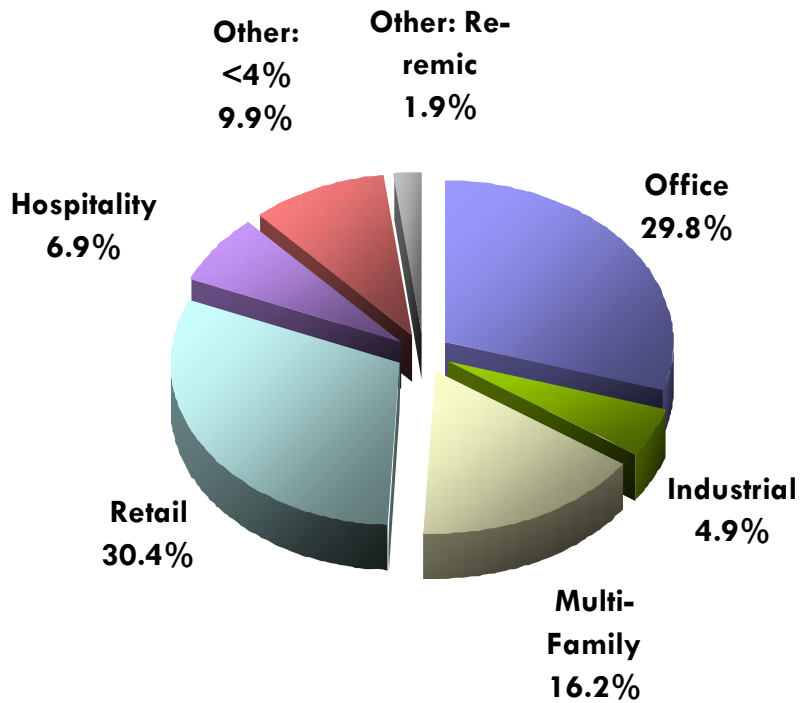
Real Estate Loans	
# of Loans:	16
Carrying Value:	\$524.8
Weighted Avg. Int. Rate:	8.3%

Real Estate Assets	
# of Assets:	12
Carrying Value:	\$76.7
Weighted Avg. GAAP Lease Yield:	14.2%*

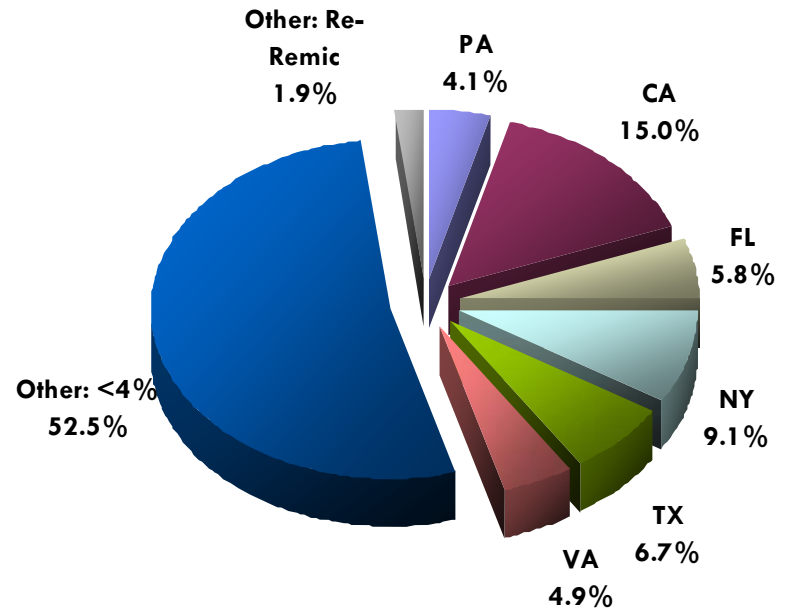
* Based on undepreciated cost basis.

Well Diversified CMBS Portfolio

Property Type⁽¹⁾



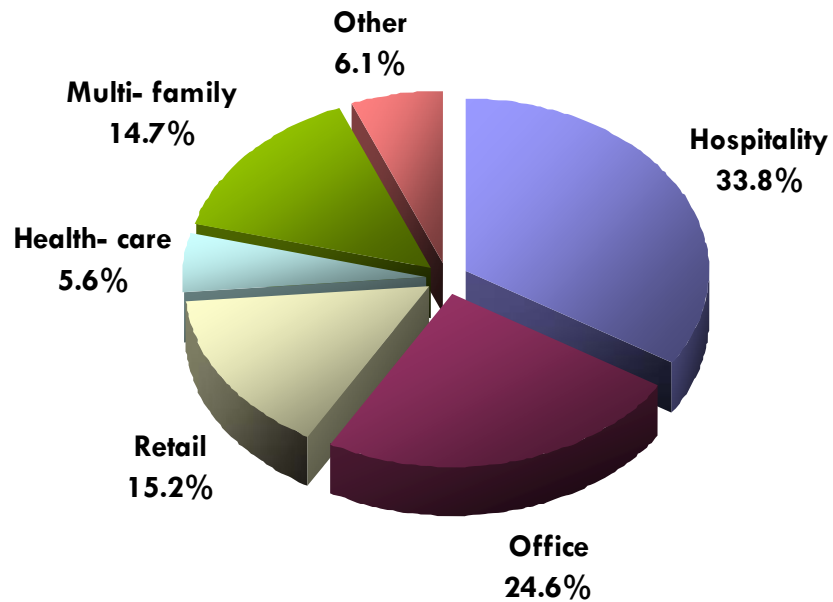
Geographic Diversification⁽¹⁾



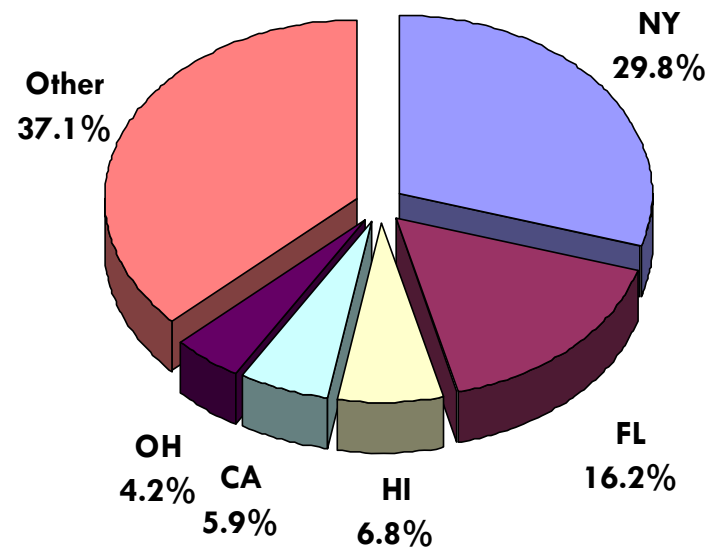
(1) Based on unpaid principal balances of underlying loans as of September 30, 2007

Well Diversified Real Estate Loan Portfolio

Property Type⁽¹⁾



Geographic Diversification⁽¹⁾



(1) Based on unpaid principal balances of real estate loans as of September 30, 2007

Summary Financial Data: Liabilities and Stockholders' Equity

Liabilities and Equity (millions)

	<u>9/30/07</u>
Assets:	
Cash	\$65.8
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Notes Payable

- Collateralized debt obligations⁽¹⁾
- CDO I: \$266.3
- CDO II: \$708.3

Repurchase Agreements

- Liquid Funding: \$87.9 (\$150 Facility)
- Goldman Sachs: \$171.8 (\$250 Facility)
- JP Morgan Chase: \$25.3 (\$250 Facility)

Junior Subordinated Debentures

- Trust Preferred Securities
- \$60 million issuance, net

Stockholders' Equity

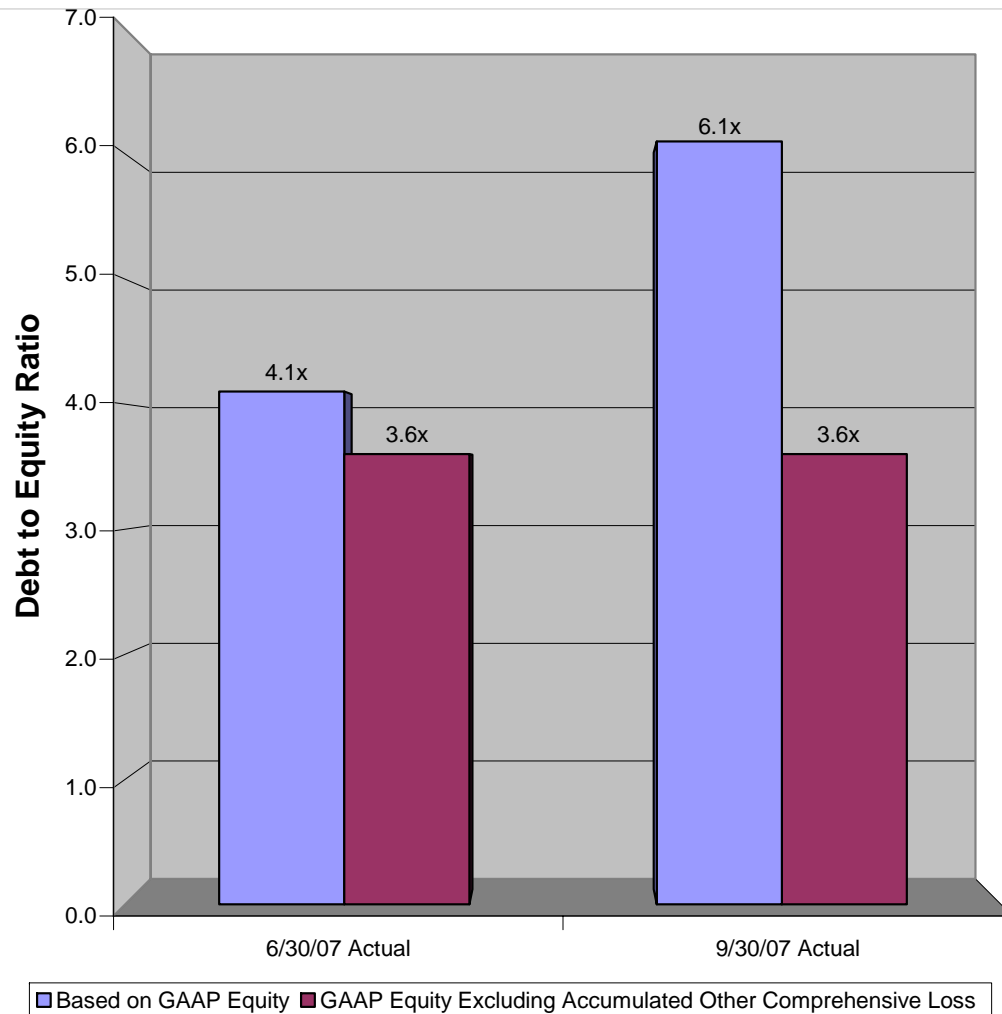
- See page 22 for breakdown

(1) Estimated Fair Value range of \$795.0 to \$855.0

Summary Financial Data: Stockholders' Equity

	<u>9/30/07</u>													
<i>(In millions, except share and per share data)</i>														
Stockholders' Equity:														
Common Stock, Par Value and Paid in Capital	\$392.5	• 25.9 million shares issued and outstanding												
Cumulative Earnings	75.8													
Cumulative Dividends	<u>(103.8)</u>													
Subtotal	364.5													
Accumulated other comprehensive income (loss)	<u>(145.4)</u>	Accumulated Other Comprehensive Income (Loss)												
Stockholders' Equity	<u>\$219.1</u>	<table border="1"> <tbody> <tr> <td>Unrealized Losses – CMBS financed by CDOs</td> <td style="text-align: right;">\$(110.6)</td> </tr> <tr> <td>Unrealized Losses - CMBS not financed by CDOs</td> <td style="text-align: right;"><u>(26.2)</u></td> </tr> <tr> <td>Total CMBS Unrealized Losses</td> <td style="text-align: right;">(136.8)</td> </tr> <tr> <td>Fair Value of Interest Rate Swaps</td> <td style="text-align: right;">(3.4)</td> </tr> <tr> <td>Swap Termination Costs, net</td> <td style="text-align: right;"><u>(5.2)</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$(145.4)</u></td> </tr> </tbody> </table>	Unrealized Losses – CMBS financed by CDOs	\$(110.6)	Unrealized Losses - CMBS not financed by CDOs	<u>(26.2)</u>	Total CMBS Unrealized Losses	(136.8)	Fair Value of Interest Rate Swaps	(3.4)	Swap Termination Costs, net	<u>(5.2)</u>	Total	<u>\$(145.4)</u>
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Swap Termination Costs, net	<u>(5.2)</u>													
Total	<u>\$(145.4)</u>													
		• GAAP Book Value per Share of \$8.46												

Leverage



Summary Financial Data: Income Statement

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2007	2006	2007	2006
<i>(In millions, except per share data)</i>				
REVENUES				
Interest income from CMBS	\$ 21.0	\$ 13.7	\$ 59.3	\$ 33.9
Interest income from real estate loans	11.3	4.0	30.7	10.2
Interest income from cash and cash equivalents	1.1	0.2	4.7	3.1
Lease income from real estate assets	2.8	-	5.5	-
Total Revenues	36.2	17.9	100.2	47.2
EXPENSES				
Interest expense	20.7	5.5	56.1	13.4
Management fees, affiliate	1.9	1.9	5.6	5.7
Incentive fees, affiliate	0.4	-	0.8	-
Depreciation of real estate assets	0.4	-	0.8	-
General and administrative	1.5	2.1	5.7	5.3
Total Expenses	24.9	9.5	69.0	24.4
INCOME BEFORE OTHER GAINS (LOSSES)	11.3	8.4	31.2	22.8
OTHER GAINS (LOSSES)				
Loss on impairment of assets	(0.8)	(0.1)	(0.8)	(0.3)
NET INCOME	\$ 10.5	\$ 8.3	\$ 30.4	\$ 22.5
Funds from Operations (FFO)	\$ 10.9	\$ 8.3	\$ 31.3	\$ 22.5
Net earnings per share (basic and diluted):	\$ 0.41	\$ 0.32	\$ 1.18	\$ 0.88
FFO per share (basic and diluted)	\$ 0.43	\$ 0.32	\$ 1.22	\$ 0.88
Dividends declared per common share	\$ 0.45	\$ 0.40	\$ 1.34	\$ 1.09