

4 T H A N N U A L

Innovative **ALTERNATIVE** **INVESTMENT STRATEGIES**

Understanding Real Estate Alternatives

MODERATOR

Bill Humphrey, New Direction IRA

CEO

New Direction IRA

PANELISTS

F. Fuller O'Connor Jr.

EJF Capital LLC

Michael Weil

American Realty Capital

David Puchi

Baseline Investments



Understanding Real Estate Alternatives

Real estate markets have been improving.

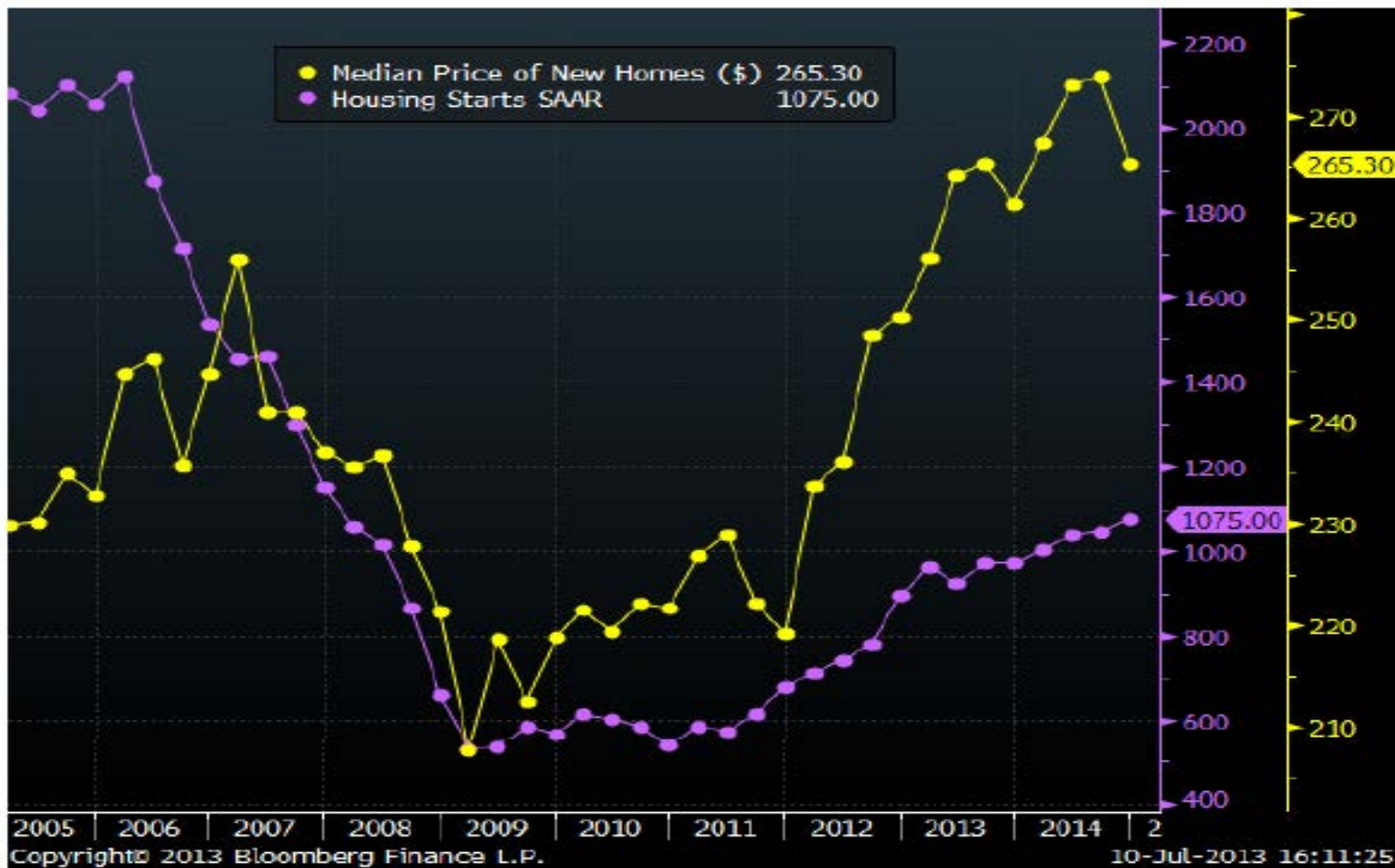
Our panel will provide an overview of asset class pros and cons and debate underlying fundamentals that can assist in determining which programs and sponsors are appropriately suited for various clients. These will include trends and potential in rental growth, absorption, tenancy, TIs and LCs, organic growth vs. value creation, intrinsic vs. market force driven stability, and more.



EJF Capital LLC



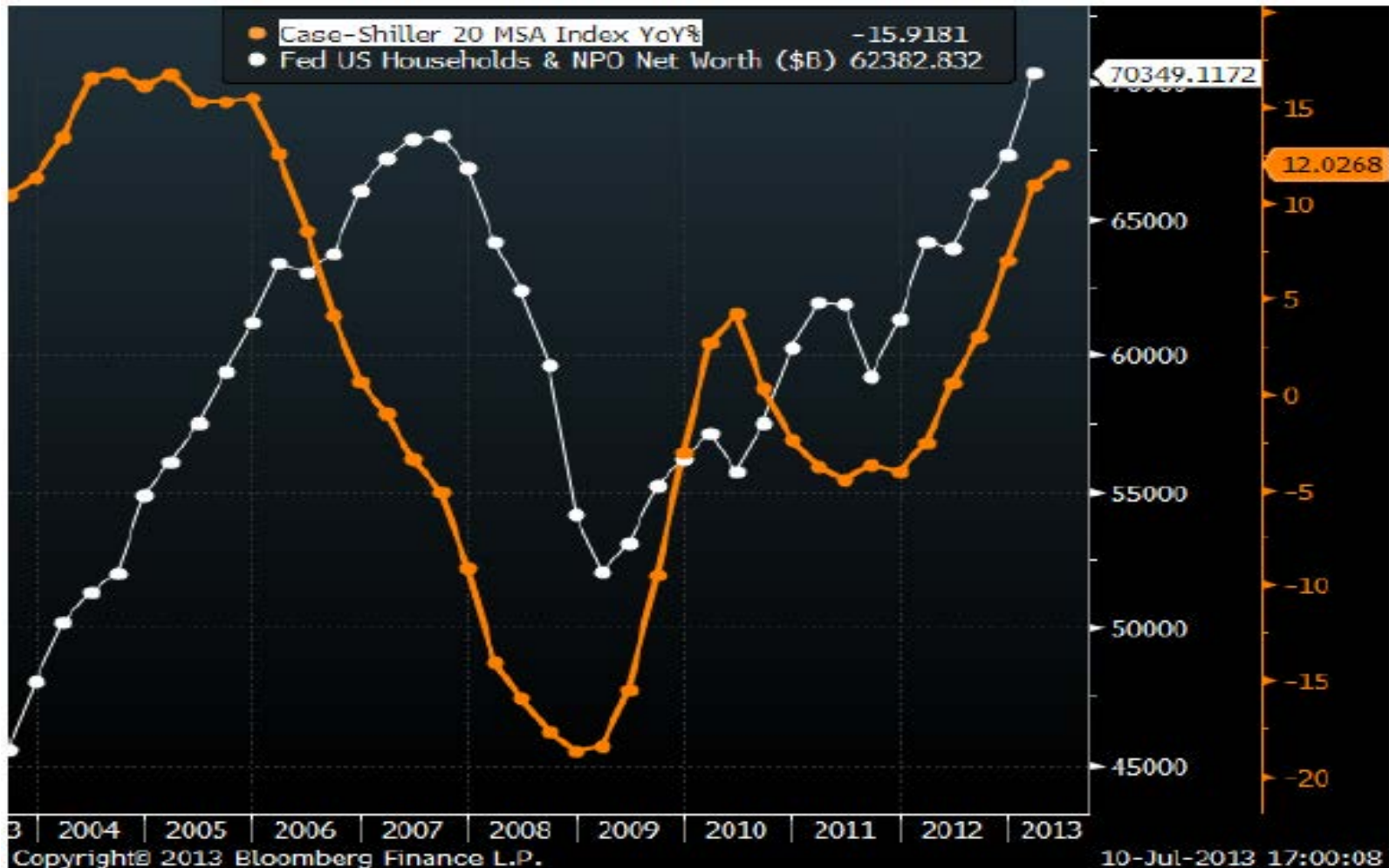
Housing Starts & New Home Median Price



Underwater Mortgages and Total Delinquent Mortgages



Case-Shiller Index & US Household Net Worth



Net Worth RE Assets & % change



American Realty Capital



Previously Acquired, Managed and Liquidated									
Name	AFRT	ARC/ GF Capital	ARC Growth Fund	ARC Income Properties	ARC Income Properties, III	American Realty Capital Trust	Healthcare Trust of America*	ARCT III	Total
Type	NYSE Listed REIT	Private SMA	Private Placement	Private Placement	Private Placement	NYSE Listed REIT	Non-Listed REIT	Non-Listed REIT	
Properties	1,110	73	52	62	1	515	78	509	2,330
States	37	19	NA	9	1	44+PR	NA	44	49+PR
Square Feet (millions)	35.0	1.8	0.2	0.3	0.5	15.9	11.1	13.0	77.8
Total Cost (millions)	\$4,300.0	\$407.5	\$61.0	\$101.6	\$26.0	\$2,950.0	\$2,303.4	\$1,754.7	\$11,904.2

Previously Acquired, Managed and Liquidated															Grand Total**
Name	ARC/GF Capital Portfolio	ARCT IV***	ARCT V	ARC Global	ARC NYRR	ARC HT	ARC HT II	BDCA	ARC Retail Centers	ARC Daily NAV	ARCP***	PE-ARC	ARC Income Properties IV	Total Currently Managed	
Type	Private SMA	Non-Listed REIT	Non-Listed REIT	Non-Listed REIT	Non-Listed REIT	Non-Listed REIT	Non-Listed REIT	Non-Listed BDC	Non-Listed REIT	Non-Listed REIT	NASDAQ Listed REIT	Non-Listed REIT	Private Placement		
Properties Acquired	34	1326	2	3	17	61	1	66 (loans)	2	8	1,182	46	6	2,754	
States	14	48	2	NA	1	20	1	NA	1	7	49+PR	18	2	49	
Square Feet (millions)	1.2	15	0.018	0.104	0.9	2.9	0.006	NA	0.3	0.2	17.3	4.9	0.1	42.9	
Total Cost (millions)	\$230.9	\$2,360.0	\$331.4	\$34.2	\$574.7	\$1,748.3	\$12.0	\$524.6	\$54.2	\$27.4	\$4,160.1	\$650.7	\$21.2	\$10,729.7	
															5,084
															49 + PR
															120.7
															\$22,633.9

*ARC does not manage HTA, however ARC/RCS was instrumental in providing the necessary equity capital for HTA to assemble its portfolio of assets.

**Grand total includes prior programs

***Pro Forma data incorporating GE Capital and CapLease acquisitions



American Realty Capital

Shareholder Value Creation – Net to the Investor

	ARCT	ARCT III	HTA	ARCT IV
Total Cash + Stock Consideration	\$2,377,591,197 (178.0mm shares x \$13.36/ share ⁽¹⁾)	\$2,336,816,560 (176.9mm shares x \$13.21/ share ⁽²⁾)	\$2,295,343,112 (211.4mm shares x \$10.86/ share ⁽³⁾)	\$2,190,312,212 (71.5mm shares x \$30.62/ share ⁽⁴⁾)
- Return of Gross Equity	(1,745,821,081)	(1,736,021,996)	(2,007,717,276)	(1,763,018,472)
Profit	<u>631,770,116</u>	<u>600,794,564</u>	<u>287,625,836</u>	<u>427,293,739</u>
+ Distributions	228,650,283 ⁽⁵⁾	86,092,000 ⁽⁶⁾	539,537,000 ⁽⁷⁾	71,461,763 ⁽⁸⁾
Total Value	\$860,420,399	\$686,886,564	\$827,162,836⁽⁹⁾	\$498,755,502
Total Return⁽¹⁰⁾	149%	140%	141%	128%
IRR	13%	27%	9%	31%

**RCS Distributed Products have Created
Approximately \$2,900,000,000 in Shareholder Value.**

(1) ARCT final stock price plus \$0.35 special distribution paid to ARCT stockholders upon merger with Realty Income on 1/22/2013. (2) Final stock conversion price paid to ARCT III stockholders upon merger with ARCP on 2/28/13. (3) HTA stock price as of market close 7/5/2013. (4) Based on \$30.62 guaranteed floor price paid to ARCT IV stockholders upon merger with ARCP. (5) Inception through 12/31/12. (6) Inception through 3/31/13. (7) Inception through 3/31/13. (8) Inception through Q3'13; anticipated close of merger. (9) Final tranches will be unlocked in 2013. (10) Including full return of principal, net of commissions.

Federal Reserve decides to Trigger Third Easing to Help Economy

“Pledged to keep short-term rates near zero until at least mid-2015”

Moving to bolster the recovery, the Federal Reserve agreed to buy \$40 billion a month in mortgage-backed securities to cut borrowing costs for home buyers and other borrowers, and pledged to keep short-term rates near zero until at least mid-2015.

Markets reacted enthusiastically although an initial spike of nearly 1% in major indexes began to lose steam shortly after the Fed's announcement. In the afternoon, the rally regained power with major indexes showing gains of about 1.5% and trading close to levels not seen in nearly five years.

It's the first time since the Fed's bond purchases began in 2008 that it has made an open-ended plan to buy government securities.

- Elimination of Internalization Fees
Focus on Distribution Coverage
- Focus on Distribution Coverage
- Lower fees (*acquisition, financing, asset management, property management*)
- Waiver of Asset Management Fee in cash for the life of the offering paid and after liquidity event to be paid in class B restricted stock subject to performance (*100% return of invested capital and 6% annual return*)
- No Related Party or Affiliated Transactions

Elimination of Asset Management Fees during the life of the offering

<i>Program Name</i>	
American Realty Capital Trust III	✓
American Realty Capital Trust IV	✓
American Realty Capital Trust V	✓
ARC Global Trust	✓
ARC Healthcare Trust	✓
ARC Healthcare Trust II	✓
ARC New York Recovery REIT	✓
Phillips Edison-ARC Shopping Center	✓



American Realty Capital



BROKER DEALERS

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Baceline Investments





Baceline Investments LLC

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REAL ESTATE AS AN ALTERNATIVE INVESTMENT

**Non-correlated
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**Investing in a
Tangible Asset
that Produces
Stable Income**



**COMPETITIVE COASTAL
REAL ESTATE
VS.
VALUE IN AMERICA'S
HEARTLAND**



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AMERICA'S HEARTLAND HAS...

Untapped
value-rich
properties at
opportunistic
prices

Less
competition and
more supply
of quality
real estate

Predictable
income from
a diverse,
stable tenant
base

REPRESENTATIVE DEBT FREE INCOME PROPERTY

Raceway Commons - Indianapolis, Indiana

10% =
Cap Rate

435,000
Net Operating Income

4,350,000
Purchase Price

84%
Occupancy Rate

Size
32,748
RSF



NOTABLE TENANTS

Panera Bread - Sprint - Coldstone Creamery - Great Clips

Thank you!



Baceline
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For more information please contact us!

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Thank You For Attending

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