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A Letter from the CEO of AR Global

This letter is my first to you in my capacity as the Chief Executive Officer of **AR Global**, the rebranded alternative investment platform previously referred to as AR Capital.

We have a new name, but the same founding principles.

We began almost a decade ago as a small asset manager with aspirations to change the direct investment industry by putting investors first. We built our early programs by acquiring investment grade real estate supported by strong tenant credit generating high current dividends, reduced volatility, and low correlation to traded securities. We created liquidity very successfully in these programs through listings on traded exchanges or through corporate sales. Never departing from our founding principles, our investment programs now include net leased properties, healthcare real estate, hotels, retail shopping centers, and New York City office buildings, as well as both real estate loans and corporate credit. Moreover, beginning in April 2012, we designed and implemented a real estate investment strategy in Europe focused on net lease real estate as the opportunities emerged. Our company has a global reach, and our new name and structure reflects this.

AR Global will continue to put shareholders first in our direct investment programs. It will maintain the same dedication to designing and building investment solutions that are constructed to generate durable income, protect and preserve capital, reduce correlation to the traded markets, and provide high current returns. In these challenging economic and geopolitical times, marked by volatile securities and commodities markets and chronically low interest rates, we believe our direct investment programs will continue to be an important part of an investor's portfolio allocation.

We are one of the largest, best performing alternative asset managers in the world.

Today, AR Global is one of the largest alternative asset managers in the world, and among the best performing. With an emphasis on real estate and credit investing, since 2009 our investment programs have successfully raised over \$20 billion of equity and funded 17 separate strategies. Currently, AR Global sponsors investment strategies with over \$18 billion of real estate and loans under management. However, despite our size, we have produced an average annual return of approximately 17% on those programs which have had liquidity events to date. We are proud of this history of exceptional performance, and I believe our current platform of alternative "core" investments offer many of the same opportunities as did our earlier programs.

We believe every investor should have some exposure to alternative investments, especially real estate.

Since inception, we have thought, based on academic research and prior performance, that an allocation to alternative investments benefits almost every investor in reaching his or her financial planning goals. The “Endowment Model” instructs us on the value of moving beyond the traditional mix of stocks, bonds and cash. Over the past twenty years, the largest endowments in the country have rebalanced their portfolios, many allocating more than 50% of their assets to alternative investment strategies. Over that time these funds have consistently outperformed more traditional portfolio allocations weighted in favor of fixed income and equities. We believe that real estate equity and debt as well as corporate credit is a vital element of virtually every alternative investment strategy. As the Chief Investment Officer of a major pension fund who oversees \$90 billion in assets recently observed in *Barrons*, “We see real estate as the first alternative [investment]. It offers diversification from stocks and bonds, and also provides a certain amount of protection against inflation due to a rental income stream that is adjusted upward, often with escalation clauses in leases based on the consumer price index. While never immune, the sector is well prepared to tolerate a surprise from the economy.”

As the population ages, individual investors need carefully structured investment solutions to provide them durable income, tax efficiency, an inflation hedge, and reduced exposure to the volatility of traditional equity markets. Alternative investments have an important place in that financial plan.

We believe AR Global’s investment programs are especially important at this time, even though the direct investment industry continues to exhibit a lack of regulatory clarity.

Today’s traded equity markets exhibit increased uncertainty for investors planning for retirement. In the first few weeks of 2016, global macroeconomic concerns, fueled by the sharp selloff in the Chinese stock market, have led to declines across all major equity markets. In the past 12 months, we have seen a profound drop of nearly 70% in oil prices, with crude oil prices most recently stabilizing around \$30 per barrel. The 10-Year U.S. Treasury Bill continues to yield around 2% per annum, leaving investors to search for riskier opportunities to meet current cash needs. Even the “smartest guys in the room,” the hedge fund managers, were only able to produce a marginal average 1.7% return in 2015, while many finished in negative territory.

The direct investment industry continues to exhibit a lack of clarity regarding the future of alternative investments. The industry has yet to adopt a uniform structure that will satisfy the requirements of the pending regulatory changes from FINRA’s 15-02 as well as the Department of Labor Fiduciary Standard. As among the largest sponsors of direct investments in the industry, we thought it prudent to announce last November our decision to temporarily suspend raising additional capital in our investment programs. It was our expectation that new and open programs would struggle to raise capital until there was greater certainty around the impact that these new regulations would have. This regulatory uncertainty ultimately could place current investors in

potential peril and limit their options in the search for quality investment solutions to help them plan for their financial goals.

Amidst this economic and regulatory backdrop, we believe direct investment programs will persist in playing an increasingly important role in virtually every investment portfolio. Since 2008, our proven strategies have delivered strong risk-adjusted returns during similar periods of volatility, while limiting exposure to the broader capital markets. We believe the same is true today. Our next steps going forward in our current programs will be stability of income with an eye towards creating liquidity that benefits our investors. While this is presently our principal objective, our mission is to create liquidity only when circumstances permit us to do so with a profit to our investors.

AR Global will maintain its unwavering commitment to customer service.

AR Global built its business on the basis of providing excellent customer service. In keeping with this commitment, there are a number of developments of which you should be aware:

- **New Website:** We have unveiled a new website at www.AR-Global.com, an interactive portal for our investors to access information on AR Global, its sponsored programs, pertinent industry news and current initiatives.
- **Client Service:** Our Client Services Division, led by Curtis Parker, is available to assist in all matters regarding account statements, account information and modifications. The group can be contacted at 1-866-902-0063, Monday through Friday, between 8:30 AM EST and 5:30PM EST.
- **DST:** Investors will be able to continue to access their account information through our transfer agent, DST Systems, by going to www.AR-Global.com and selecting "Investor Access" from the home page.
- **General Investor Inquires:** For general investor inquiries, our Investor Relations Division is available to answer questions and direct you to the appropriate parties. The group, led by Matthew Furbish, is available Monday through Friday from 8:30AM to 5:30PM EST at 1-212-415-6510.

You can look forward to regular updates and communications from AR Global, including periodic investment program updates delivered with your investment statements. Our year-end fund updates and corresponding update letters will be released in March 2016, following filing with the SEC of the funds' Form 10-K annual reports.

In closing...

In addition to my responsibility for overseeing the development and management of our investment programs, my role as Chief Executive Officer of AR Global also includes leading the

communications to our shareholders, financial advisors and to the broker-dealer firms we serve. Thus, you may anticipate hearing from me on a regular basis.

While AR Global is our new name, we will continue to adhere to our original principles: put the investor first, design alternative investment programs that deliver high current returns, protect capital, reduce correlation with the traded markets, maintain tax efficiency, and deliver strong risk-adjusted returns. We have a solid history of performance and a strong lineup of direct investment programs. We look forward to continuing to serve you and thank you for your trust.

A handwritten signature in black ink, appearing to read "Michael Weil". The signature is fluid and cursive, with a large, sweeping initial "M" and a long, horizontal flourish extending to the right.

Michael Weil
Chief Executive Officer
AR Global, LLC