AR Global

| AR Global Sponsored Offerings - Estimated Values as of April 3, 2018 | | | |
|---|---|---|---|
| **REIT Name** | **American Finance Trust, Inc.** | **Healthcare Trust, Inc.** | **American Realty Capital New York City REIT, Inc.** |
| **Estimated Valuation Method** | Appraised Value | Appraised Value | Appraised Value |
| **Initial Offering Closed to New Investments** | 10/31/2013 | 11/17/2014 | 5/31/2015 |
| **Estimated Holding Period (see prospectus)** | 3 - 6 Years After Close of Initial Offering | 3 - 6 Years After Close of Initial Offering | Up to 6 Years After Close of Initial Offering |
| **Initial Offering Price** | $25.00 | $25.00 | $25.00 |
| **Selling Commissions, Dealer Manager Fees and Estimated O&O Costs (see prospectus)** | $2.88 | $2.88 | $3.00 |
| **Net Investment** | $22.13 | $22.13 | $22.00 |
| **Latest Estimated Per Share Value** | $23.56 | $20.25 | $20.26 |
| **Estimated Per Share Value as of Date** | 12/31/2017 | 12/31/2017 | 6/30/2017 |

*American Realty Capital Healthcare Trust III, Inc. ("HT III") is not represented on this chart. On December 22, 2017, HT III consummated the sale of all of the membership interests in its subsidiaries that collectively own all 19 properties owned by HT III and comprise substantially all of HT III's assets (the "Asset Sale"). In connection with the Asset Sale, HT III is also implementing a plan of liquidation (the "Plan of Liquidation") to liquidate and dissolve the Company and its operating partnership. On January 5, 2018, pursuant to the Plan of Liquidation, HT III paid its shareholders an initial liquidating distribution of $15.75 per share. Also on January 5, 2018, HT III's estimated per-share value was updated to $1.89, which reflects HT III's prior estimated per share value of $17.64 less the payment of the initial liquidating distribution.*

## Customer Account Statement Rule and a Q&A on How AR Global's Suite of Public Non-Listed REITs Report Estimated Values

This summary relates to key changes to NASD Rule 2340 and FINRA Rule 2310 ("Customer Account Statement Rule") and how statements delivered by your broker dealer after April 11, 2016 reflect public non-listed real estate investment trust ("REIT") per share estimated values.

### Background

Prior to April 2016, public non-listed REIT share values were often initially reflected on customer account statements at per share offering prices (in most cases the initial per share offering price was either $10 or $25). Previously, non-listed REITs were not required to develop an initial valuation of their shares until as late as 18 months after the close of an offering. REITs were often carried on account statements at their respective initial offering prices, without subtracting the expenses associated with those investments. Those expenses included both offering costs paid by the company in which you invested and selling commissions and dealer manager fees paid by that company to the FINRA member dealer manager and broker dealer through which you purchased shares. The prospectus for each offering included specific details on the types of expenses associated with an investment in a public non-listed offering. Values carried on account statements also did not historically reflect changes in the underlying value of a REIT's investment portfolio for extended periods of time.

Beginning April 11, 2016, statement pricing for direct participation programs ("DPP"), including non-listed REITs and BDCs, changed. The Financial Industry Regulatory Authority ("FINRA"), in conjunction with the Securities and Exchange Commission ("SEC") updated account statement rules to provide more transparency to estimated per share values, shorten the initial time period for an appraisal-based valuation and provide for enhanced disclosures to be provided to clients. **It is important to note that the rule change is consistent with the original prospectus disclosure as to the fees and expenses associated with an investment in a public non-listed REIT and that the underlying investment objectives and strategy are not affected by the rule change.**

**Changes to NASD Rule 2340 and FINRA Rule 2310 became Effective April 11, 2016** - **From the admission of the first investor into a non-listed REIT or BDC and continually thereafter, broker-dealers must now provide a per share estimated value of the security on customer account statements which has been developed in a manner reasonably designed to provide a reliable value. FINRA has defined two valuation methods that are presumptively reliable.**

> **Net Investment Methodology** -Broker-dealers may report a value that is equal to the offering price minus selling commissions, dealer manager fees and estimated organizational and offering expenses until 150 days after the second anniversary of the initial escrow break and must also include the following (or similar) disclosure prominently and in close proximity to the disclosure of distributions: "IMPORTANT– Part of your distribution may include a return of capital. Any distribution that represents a return of capital reduces the estimated per share value shown on your account statement."
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> **-OR-**
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> **Appraised Value Methodology** - Broker-dealers may report a value disclosed by the REIT or DPP that is based on an appraisal of the assets and liabilities of the program by or with the material assistance of a third-party valuation expert, in conformity with standard industry valuation practice as it relates to both assets and liabilities. Values based on this methodology may be used at any time but this approach must be used no later than 150 days following the second anniversary of the REIT's initial escrow break. Once this methodology is used, an annual appraisal must be performed.

In addition, the following text (or similar) must be included on every account statement that reports DPP or non-listed REIT securities, regardless of the valuation methodology used: "DPP and non-listed REIT securities are not listed on a national securities exchange, are generally illiquid, and even if you are able to sell the securities, the price received may be less than the per share estimated value provided on the account statement."

### Questions and Answers

**How was my investment impacted by this change?**
This regulatory change does not affect your actual investment. The per share figure now reflects an estimated value consistent with the new FINRA rule.

**Did I pay commissions and/or dealer manager fees on my original investment?**
Yes. These totaled up to 10% of your initial investment. Your broker dealer received selling commissions and/or dealer manager fees of as much as 8.5% (up to 7% selling commissions and up to a 1.5% dealer manager fee reallowance) on your original investment. The attached chart provides details on selling commissions, dealer manager fees and estimate organization and offering costs.

**Were there other costs associated with my initial investment?**
Initially, there were organization and offering ("O&O") costs associated with an investment in a public, non-listed offering such as the ones sponsored by AR Global. These costs were estimated at either 1.5% or 2% of the amount of your original investment and if the value being used for your investment is based on a net investment methodology (see chart which accompanies this memo) these costs are deducted from the $25.00 offering price paid per share. Details of these costs were included in the prospectus you received in connection with your initial investment.