



**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_  
IRC SECTIONS 331, 336, 368(a), 1001 AND 1221.

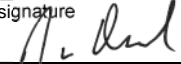
**18** Can any resulting loss be recognized? ▶ SEE ATTACHMENT

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_  
THE TRANSACTION WAS CONSUMMATED ON FEBRUARY 14, 2017. CONSEQUENTLY, THE REPORTABLE TAXABLE YEAR OF THE RCA SHAREHOLDERS FOR REPORTING THE TAXABLE MERGER IS THE TAXABLE YEAR THAT INCLUDES THE FEBRUARY 14, 2017 DATE.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶  Date ▶ 3/1/2018

Print your name ▶ RYAN SMITH Title ▶ VICE PRESIDENT OF TAX

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	JAMES A. OSWALD		2/26/2018		P01275389
	Firm's name ▶ PRICEWATERHOUSECOOPERS LLP	Firm's EIN ▶ 13-4008324			
	Firm's address ▶ 300 MADISON AVENUE, NEW YORK, NY 10017	Phone no. (646) 471-3000			

**AMERICAN REALTY CAPITAL RETAIL CENTERS OF AMERICA, INC**  
**EIN: 27-3279039**  
**ATTACHMENT TO FORM 8937**

**Form 8937 Part II, Box 14:**

The organizational action involves the merger pursuant to which, on February 14, 2017, American Realty Capital-Retail Centers of America, Inc (EIN 27-3279039) ("RCA"), merged into American Finance Trust, Inc. (EIN 90-0929989) with American Finance Trust, Inc. ("AFIN") surviving the merger, under IRC Section 368(a). At the effective time of the merger, each issued and outstanding share of RCA common stock will be converted into the right to receive per share (1) \$0.95 in cash; (2) 0.385 of a share, or the Common Exchange Ratio, of common stock of AFIN, par value \$0.01 per share.

Instead of fractional shares, RCA stockholders will receive cash, without interest, in an amount equal to the product of such fractional part of a share of AFIN common stock, multiplied by \$24.17 (based on the exchange ratio and AFIN's published estimated per share NAV as of December 31, 2015).

AFIN stockholders continued to hold their existing shares of AFIN common stock.

**Form 8937 Part II, Box 15:**

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

In some cases, if a U.S. Stockholder of RCA common stock actually or constructively owns AFIN common stock other than AFIN common stock received pursuant to the merger, the recognized gain could be treated as having the effect of a distribution of a dividend under the tests set forth in Section 302 of the Code, in which case such gain would be treated as dividend income to the extent of the U.S. Stockholder's ratable share of accumulated earnings and profits as calculated for U.S. federal income tax purposes. Because the possibility of dividend treatment depends upon each holder's particular circumstances, including the application of constructive ownership rules, U.S. Stockholders of RCA common stock should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances.

A U.S. Stockholder of RCA common stock will receive a combination of AFIN common stock and cash in exchange for shares of RCA common stock pursuant to the merger and generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the amount of cash, other than cash received in lieu of a fractional share of AFIN common stock, and the fair market value of the AFIN common stock received pursuant to the merger over such holder's adjusted U.S. federal income tax basis in its shares of RCA common stock surrendered) and (2) the amount of cash received pursuant to the merger (excluding any cash received in lieu of a fractional share of AFIN common stock). Based on the form of the transaction we expect the gain to be limited to the cash received.

The aggregate U.S. federal income tax basis of AFIN common stock received (including fractional shares deemed received and redeemed as described below) in the merger will be equal to the aggregate adjusted U.S. federal income tax basis of the shares of RCA common stock surrendered therefor, reduced by the amount of any cash received by the U.S. Stockholder pursuant to the merger (excluding any cash received in lieu of a fractional share of

AFIN common stock) and increased by the amount of gain (including any portion of the gain that is treated as a dividend as described above but excluding any gain or loss resulting from the deemed redemption of fractional shares described below), if any, recognized by the U.S. Stockholder on the exchange.

A U.S. Stockholder of RCA common stock who receives cash in lieu of a fractional share of AFIN common stock generally will be treated as having received such fractional share and then as having received such cash in redemption of the fractional share. Gain or loss generally will be recognized for U.S. federal income tax purposes based on the difference between the amount of cash received instead of the fractional share and the portion of the U.S. Stockholder's aggregate adjusted U.S. federal income tax basis of the shares of RCA common stock surrendered which is allocable to the fractional share. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the holding period for such shares of RCA common is more than one year at the effective time of the merger. The deductibility of capital losses is subject to limitations.

If a U.S. Stockholder of RCA common stock acquired different blocks of RCA common stock at different times or different prices, any gain or loss must be determined separately for each block of RCA common stock. U.S. Stockholders should consult their tax advisors regarding the manner in which cash and AFIN common stock received in the merger should be allocated among different blocks of RCA common stock.

Further discussion of the tax consequences of the merger can be found in Form S-4 for AFIN, as filed with the Securities and Exchange Commission on October 20, 2016 under the heading "Material U.S. Federal Income Tax Consequences". Additionally, shareholders should consult with their tax advisor for the application of these matters to their specific circumstances.

**Form 8937 Part II, Box 16:**

The change in basis (if any) will be affected as described under box 15, above, and will depend on the individual circumstances of each shareholder of AFIN common stock. In general, each shareholder of RCA common stock received (i) \$0.95 in cash, (ii) 0.385 of a share of the company's common stock. Also, Instead of fractional shares, RCA stockholders will receive cash, without interest, in an amount equal to the product of such fractional part of a share of AFIN common stock, multiplied by \$24.17 (based on the exchange ratio and AFIN's published estimated per share NAV as of December 31, 2015).

**Form 8937 Part II, Box 18:**

See box 15, above.