

American Realty Capital Trust, Inc.
Form 424B3
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AMERICAN REALTY CAPITAL TRUST, INC.

SUPPLEMENT NO. 5 DATED MAY 2, 2011 TO THE PROSPECTUS DATED DECEMBER 13, 2011

This prospectus supplement (this Supplement No. 5) is part of the prospectus of American Realty Capital Trust, Inc. (we, us, our, the REIT or the Company), dated December 13, 2010 (the Prospectus), and should be read in conjunction with the Prospectus. This Supplement No. 5 supplements, modifies or supersedes certain information contained in our Prospectus. This Supplement No. 5 consolidates, supersedes and replaces all prior Supplements and must be read in conjunction with our Prospectus. Unless otherwise indicated, the information contained herein is current as of the filing date of the prospectus supplement in which the Company initially disclosed such information. This Supplement No. 5 will be delivered with the Prospectus.

The purpose of this Supplement No. 5 is to disclose, among other things, the following:

operating information, including the status of the offering, shares currently available for sale, portfolio data including recent real estate investments and potential property investments, selected financial data, status of distributions, share repurchase program information and status of fees paid and deferred to our advisor, dealer manager and their affiliates;

updates to our criteria for investor suitability;
information regarding management and management compensation;
our investment in a joint venture with one of our affiliates;
recently completed acquisitions of real estate investments; and
updates regarding our prior performance.

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We commenced our initial public offering of 150,000,000 shares of common stock on January 25, 2008. As of March 31, 2011, we had issued 87.9 million shares of common stock. Total gross proceeds from these issuances were \$859.1 million. As of March 31, 2011, the aggregate value of all share issuances and subscriptions outstanding was \$870.7 million based on a per share value of \$10.00 (or \$9.50 per share for shares issued under the DRIP).

On August 5, 2010, we filed a registration statement on Form S-11 with the U.S. Securities Exchange Commission, or the SEC, to register \$325,000,000 of common stock for the follow on offering to our primary offering. Our primary offering was originally set to expire on January 25, 2011. However, as permitted by Rule 415 of the Securities Act of 1933, as amended, or the Securities Act, we will now continue our primary public offering until the earlier of July 25, 2011, or the date that the SEC declares the registration statement for the follow on offering effective.

Shares Currently Available for Sale

As of March 31, 2011, there were 63.1 million shares of our common stock available for sale, excluding shares available under the DRIP.

Real Property Investments**Real Estate Portfolio**

As of March 31, 2011, we owned interests in 318 real estate properties acquired from third parties unaffiliated with us or our advisor. All properties are net leased commercial properties that are 100% leased to investment grade or other credit worthy tenants. The following is a summary of our real estate properties as of March 31, 2011 (dollars in thousands):

Property	Acquisition Date	No. of Buildings	Square Feet	Ownership Percentage	Remaining Lease Term ⁽¹⁾	Base Purchase Price ⁽²⁾	Capitalization Rate ⁽³⁾	Annualized Rental Income ⁽⁴⁾
FedEx	Mar. 2008	1	55,440	51 %	7.7	\$9,694	7.53 %	\$ 730
First Niagara	Mar. 2008	15	177,774	100 %	11.8	40,976	7.48 %	3,064
Rockland Trust	May 2008	18	121,057	100 %	10.3	32,188	7.86 %	2,530
PNC Bank ⁽⁵⁾	Sep. & Oct. 2008	2	8,403	59 %	17.9	6,664	8.21 %	547
Rite Aid	Sep. 2008	6	74,919	100 %	12.3	18,576	7.79 %	1,447
PNC	Nov. 2008	48	264,196	100 %	7.7	40,925	7.36 %	3,013
FedEx II	Jul. 2009	1	152,640	100 %	12.6	31,692	8.84 %	2,803
Walgreens	Jul. 2009	1	14,820	56 %	21.3	3,818	8.12 %	310
CVS ⁽⁶⁾⁽⁷⁾	Sep. 2009	10	131,105	86 %	22.9	44,371	8.37 %	3,713
CVS II	Sep. 2010							
	Nov. 2009	15	198,729	100 %	23.3	59,788	8.48 %	5,071

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Home Depot	Dec. 2009	1	465,600	100 %	18.8	23,532	9.31	%	2,192
	Dec. 2009								
BSFS	&	6	57,336	100 %	13.2	15,041	9.24	%	1,390
	Jan. 2010								
Advance Auto	Dec. 2009	1	7,000	100 %	10.7	1,730	9.25	%	160
Fresenius	Jan. 2010	2	140,000	100 %	11.3	12,183	9.30	%	1,159
Reckitt Benckiser	Feb. 2010	1	574,106	85 %	10.9	31,100	8.41	%	2,668
	Feb. 2010								
Jack in the Box	&	5	12,253	100 %	18.9	9,755	7.80	%	781
	Apr. 2010								

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Property	Acquisition Date	No. of Buildings	Square Feet	Ownership Percentage	Remaining Lease Term ⁽¹⁾	Base Purchase Price ⁽²⁾	Capitalization Rate ⁽³⁾	Annualized Rental Income ⁽⁴⁾
BSFS II ⁽⁸⁾	Feb. & Mar. 2010	12	93,599	74 %	12.8	25,902	8.70 %	2,299
FedEx III	Apr. 2010	1	118,796	85 %	10.2	33,500	9.03 %	3,087
Jared Jewelry	May 2010	3	19,534	90 %	17.9	5,342	12.44 %	679
Walgreens II	May 2010	1	14,820	100 %	22.0	5,593	7.97 %	453
IHOP	May 2010	1	5,172	100 %	15.0	2,398	8.22 %	201
Advance Auto II	Jun. 2010	3	19,253	100 %	12.3	3,583	8.38 %	308
Super Stop & Shop	Jun. 2010	1	59,032	100 %	11.9	23,350	8.18 %	1,946
IHOP II	Jun. 2010	1	4,139	100 %	11.0	2,255	8.87 %	204
IHOP III	Jun. 2010	1	5,111	100 %	20.4	3,254	9.13 %	303
Jared Jewelry II	Jun. 2010	1	6,157	100 %	15.9	1,589	12.78 %	209
Jack in the Box II	Jun. 2010	6	14,975	100 %	19.3	11,150	7.83 %	892
Walgreens III	Jun. 2010	1	13,386	100 %	23.1	4,968	7.61 %	385
Dollar General	Jul. 2010	1	8,988	100 %	13.7	1,200	9.61 %	118
Tractor Supply	Jul. & Aug. 2010	4	76,038	100 %	14.2	10,892	8.98 %	978
Advance Auto III	Jul. 2010	3	19,752	100 %	12.4	4,287	8.35 %	358
CSAA/CVS	Aug. 2010	1	15,214	100 %	21.9	4,859	7.24 %	352
CSAA/First Fifth Bank ⁽⁹⁾	Aug. 2010	2	8,252	100 %	17.0	6,199	8.39 %	520
CSAA/Walgreens	Aug. 2010	5	84,263	100 %	21.8	26,864	7.30 %	1,961
CSAA/Chase Bank ⁽⁹⁾	Aug. 2010	2	8,030	100 %	26.1	6,496	9.30 %	604
CSAA/Home Depot ⁽⁹⁾	Sep. 2010	1	107,965	100 %	16.9	8,720	7.12 %	621
IHOP IV	Sep. 2010	19	87,009	100 %	13.6	30,000	9.44 %	2,833
O Reilly Auto	Sep. 2010	1	9,500	100 %	8.9	2,450	8.73 %	214
Walgreens IV	Sep. 2010	1	14,477	100 %	24.0	6,439	7.75 %	499
Walgreens V	Sep. 2010	1	13,580	100 %	22.9	4,767	7.95 %	379
Kum & Go	Sep. 2010	14	67,310	100 %	14.1	22,515	9.21 %	2,074
FedEx IV	Sep. 2010	1	43,762	100 %	9.3	3,576	8.28 %	296
AutoZone	Sep. 2010	4	28,880	100 %	15.4	10,228	8.40 %	859
Brownshoe	Oct. 2010	1	351,723	91 %	18.1	23,849	9.89 %	2,358
Payless	Oct. 2010	1	801,651	91 %	13.4	44,924	9.37 %	4,211
Saint Joseph's Mercy Medical	Oct. 2010	3	46,706	100 %	12.9	9,838	7.79 %	766
Advance Auto IV	Nov. 2010	1	6,124	100 %	14.5	1,270	8.35 %	106
Kum and Go II	Nov. 2010	2	8,008	100 %	19.7	2,895	9.50 %	275
Tractor Supply II	Nov. 2010	3	57,368	100 %	14.9	7,491	9.09 %	681
FedEx V	Nov. 2010	1	29,410	100 %	9.4	2,800	8.29 %	232
Walgreens VI	Dec. 2010	7	102,930	100 %	23.2	40,071	7.00 %	2,805
FedEx VI	Dec. 2010	1	142,160	100 %	12.7	28,600	7.92 %	2,264
Dollar General II	Dec. 2010	1	9,100	100 %	14.3	1,281	8.98 %	115

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Property	Acquisition Date	No. of Buildings	Square Feet	Ownership Percentage	Remaining Lease Term ⁽¹⁾	Base Purchase Price ⁽²⁾	Capitalization Rate ⁽³⁾	Annualized Rental Income ⁽⁴⁾
FedEx VII	Dec. 2010	1	101,350	100 %	13.4	18,800	7.41 %	1,393
FedEx VIII	Dec. 2010	4	116,689	100 %	7.4	10,891	8.20 %	893
BB&T	Dec. 2010	1	3,635	100 %	8.8	3,781	7.88 %	298
Walgreens VII	Dec. 2010	1	14,490	100 %	12.1	2,950	8.85 %	261
FedEx IX	Dec. 2010	1	64,556	100 %	9.2	6,012	8.28 %	498
Dollar General III	Dec. 2010	3	27,128	100 %	14.6	2,867	8.72 %	250
Tractor Supply III	Dec. 2010	1	18,860	100 %	14.0	4,825	8.87 %	428
DaVita Dialysis	Dec. 2010	1	12,990	100 %	8.3	2,848	8.15 %	232
Dollar General IV	Dec. 2010	1	9,167	100 %	14.3	1,236	8.98 %	111
Lowe ⁽⁸⁾	Jan. 2011	1	141,393	100 %	15.3	10,018	6.74 %	675
Citizens	Jan. 2011	2	14,307	100 %	7.8	3,811	9.11 %	347
QuickTrip	Jan. 2011	1	4,555	100 %	12.9	3,330	8.74 %	291
Dillons	Jan. 2011	1	56,451	100 %	8.6	5,075	7.80 %	396
Wawa	Jan. 2011	2	12,433	100 %	16.1	17,209	7.00 %	1,205
Walgreen s/Tim Hortons	Jan. 2011	9	122,963	100 %	23.8	54,569	6.90 %	3,742
DaVita Dialysis II	Feb. 2011	4	23,154	100 %	11.2	8,013	8.90 %	713
CVS III	Feb. 2011	1	13,338	100 %	25.9	5,199	7.25 %	377
Citigroup	Feb. 2011	1	64,036	100 %	14.5	27,275	7.00 %	1,910
Coats & Clark	Feb. 2011	1	401,512	100 %	9.8	9,523	9.84 %	937
Walgreens VIII	Feb. 2011	1	13,569	100 %	22.6	5,460	7.34 %	401
Express Scripts	Mar. 2011	2	416,141	100 %	8.2	51,281	9.02 %	4,623
DaVita Dialysis III	Mar. 2011	1	18,185	100 %	12.2	6,565	7.72 %	507
Dollar General V	Mar. 2011	6	55,363	100 %	14.8	5,195	8.84 %	459
Wal-Mart	Mar. 2011	1	183,442	100 %	8.1	12,633	7.15 %	903
Kohl s	Mar. 2011	1	88,408	100 %	14.9	10,182	7.15 %	728
Texas Instrument	Mar. 2011	1	125,000	100 %	9.7	32,000	7.88 %	2,522
Sam s Club ⁽⁸⁾	Mar. 2011	1	141,583	100 %	14.4	12,602	6.75 %	851
CVS IV	Mar. 2011	1	13,225	100 %	23.9	5,330	7.95 %	424
Walgreens X	Mar. 2011	2	27,760	100 %	19.3	9,000	7.46 %	671
CVS V	Mar. 2011	1	12,900	100 %	22.9	5,759	7.29 %	420
Provident Bank	Mar. 2011	1	2,950	100 %	22.9	2,589	9.15 %	237
Dillions II	Mar. 2011	1	63,858	100 %	10.5	6,420	7.49 %	481
FedEx X	Mar. 2011	1	105,109	100 %	7.6	9,050	8.29 %	750
3M	Mar. 2011	1	650,760	100 %	10.1	44,800	7.35 %	3,295
Bojangles	Mar. 2011	13	47,865	100 %	12.1	24,789	8.85 %	2,193
Sub-total		318	8,166,677		14.8	1,259,315	8.21 %	103,445
Investment in joint venture	Dec. 2010			7 %		12,000		
		318	8,166,677		14.8	\$1,271,315	8.21 %	\$103,445
Average annualized rental income per square			\$12.66					

foot

(1) Remaining lease term as of March 31, 2010, in years. If the portfolio has multiple locations with varying lease expirations, remaining lease term is calculated on a weighted-average basis.

(2) Contract purchase price excluding acquisition related costs.

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- (3) Annualized rental income divided by base purchase price.
- (4) Annualized rental income for the property portfolio on a straight-line basis which includes the effect of tenant concessions such as free rental periods, as applicable.
- (5) Ownership percentage is 51% of one property and 65% of one property.
- (6) Ownership percentage of three properties is 51% and 100% of the remaining seven properties.
- (7) Ownership percentage of six properties is 51% and 100% of the remaining six properties.
- (8) Includes the September 2010 purchase of a parcel of land with a ground lease which contains a previously purchased CVS pharmacy.
- Property is a parcel of land with a ground lease which contains a building that will be conveyed to the Company at the end of the ground lease. Square footage and number of buildings refers to the building that is constructed on the parcel of land owned by the Company.
- (9) We believe that our real estate properties are suitable for their intended purpose and adequately covered by insurance. We do not intend to make significant renovations or improvements to our properties

Yield On Real Estate Investments

In the following table, the amount of the Year 1 yield based upon the contract purchase price of the acquired properties as compared to the Year 1 total rent is approximately 7.67%, which excludes contractual rent increases occurring in future years. The amounts in the following table are as of March 31, 2011. (dollars in thousands):

	Purchase Price ⁽¹⁾	Current Mortgage Debt	Effective Interest Rate ⁽²⁾	Portfolio-Level Leverage	Rent Year 1	Rent Year 2	Contractual Base Rent Increase ⁽³⁾
FedEx	\$9,694	\$6,965	6.29%	68.2%	\$703	\$703	3.78% and 3.65% in years 6 and 11, respectively
First Niagara	40,976	30,809 ⁽⁶⁾	6.59%	73.9%	3,064	3,064	
Rockland	32,188	23,047	4.92%	69.6%	2,306	2,340	1.5% annually
PNC Bank	6,664	4,318	4.58%	63.0%	466	466	10% after 5 years
Rite Aid	18,576	12,808	6.97%	68.0%	1,404	1,404	
PNC	40,925	31,329	5.25%	72.1%	2,960	2,960	10% after 5 years
FedEx II	31,692	16,040	6.03%	50.6%	2,580	2,580	1% increase in years 5 and 9
Walgreens	3,818	1,550 ⁽⁷⁾	6.64%	40.6%	310	310	
CVS	44,371	23,395 ⁽⁸⁾	6.88%	52.7%	3,387	3,387	5% increase every 5 years
CVS II	59,788	32,638	6.64%	54.6%	4,984	4,984	5% increase every 5 years
Home Depot	23,532	12,150	6.03%	51.6%	1,806	1,839	2% increase annually
BSFS	15,041	3,784	6.61%	25.1%	1,048	1,048	6.25% every 5 years
Advanced Auto	1,730				160	160	
Fresenius	12,183	6,021	6.63%	49.4%	1,023	1,023	Approximately 10% in years 2 and 7
Reckitt Benckiser	31,100	14,836	6.23%	47.7%	2,279	2,434	2.0% annually
Jack in the Box	9,755	5,311	6.41%	54.4%	639	639	
BSFS II	25,902				2,150	2,150	6.25% every 5 years
FedEx III	33,500	15,000	5.57%	44.8%	2,761	2,880	Increases every 30 months % based on CPI,

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Jared Jewelry	5,342				580	580	min 5% / max 10
Walgreens II	5,593	3,000	5.58%	53.6%	453	453	10% increase every 5 years
IHOP	2,398				192	192	5% increase every 5 years
Advance Auto II	3,583				308	308	
Super Stop & Shop	23,350	10,800	5.32%	46.3%	1,784	1,784	Increases approx. 7.5% every 5 years

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	Purchase Price ⁽¹⁾	Current Mortgage Debt	Effective Interest Rate ⁽²⁾	Portfolio Level Leverage	Rent Year 1	Rent Year 2	Contractual Base Rent Increase ⁽³⁾
IHOP II	2,255				180	180	10% increase every 5 years
Jared Jewelry II	1,589				174	182	10% increase every 5 years
Jack in the box II	11,150				892	892	Increase every five years based on CPI with % max 10
Walgreens III	4,968				385	385	
Dollar General	1,200				118	118	10% increase every 5 years
Tractor Supply	10,892				885	885	10% increase every 5 years
Advance Auto III	4,287				358	358	
CSAA/CVS	4,859				352	352	
CSAA/First Fifth Bank	6,199				440	440	10% increase every 5 years
CSAA/Walgreens	26,864				1,948	1,948	
CSAA/Chase Bank	6,496				464	473	2.0% annually
CSAA/Home Depot	8,720	3,900	4.56 %	44.7 %	621	621	
IHOP IV	30,000	12,450	5.32 %	41.5 %	2,448	2,516	10% increase every 5 years
O Reilly Auto	2,450				208	208	Increases 5% in year 11
Walgreens IV	6,439				499	499	
Walgreens V	4,767				379	379	
Kum & Go	22,515				1,890	1,890	Increases 8% every 5 years
FedEx IV	3,576				289	289	Increases 5% in year 6
AutoZone	10,228				859	859	
Brown Shoe	23,849				2,003	2,003	10% increase every 5 years
Payless	44,924				3,774	3,774	10% increase every 5 years
Saint Joseph's Mercy Medical	9,838				728	728	1.5% per year after first 5 years
Advance Auto IV	1,270				106	106	
Kum and Go II	2,895				246	246	7.5% increase every 5 years
Tractor Supply II	7,491				617	617	10% increase every 5 years
Federal Express V	2,800				226	226	
Walgreens VI	40,071	22,900	5.86 %	57.2 %	2,805	2,805	
Federal Express VI	28,600				2,119	2,119	1.5% increase every year
Dollar General II	1,281				115	115	
Federal Express VII	18,800				1,393	1,393	
Federal Express VIII	10,891				893	893	
BB&T	3,781				265	273	3.0% increase every year
Walgreens VII	2,950				261	261	
Federal Express IX	6,012				486	486	5.0% increase in year 6
Dollar General III	2,867				248	248	3.0% increase in year 11

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Tractor Supply III	4,825				387	387	10% increase every 5 years
DaVita Dialysis	2,848				232	232	
Dollar General IV	1,236				111	111	
Lowe s	10,018				675	675	
Citizens Bank	3,811	3,011	6.39%	79.0%	344	329	2.5% increase every year, after 7% decrease in August 2011
QuickTrip	3,330				291	291	
Dillons	5,075				396	396	
Wawa	17,209				1,205	1,205	

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	Purchase Price ⁽¹⁾	Current Mortgage Debt	Effective Interest Rate ⁽²⁾	Portfolio Level Leverage	Rent Year 1	Rent Year 2	Contractual Base Rent Increase ⁽³⁾
Walgreens TH	54,569				3,737	3,737	
Davita Dialysis II	8,013				444	453	2.0% increase every year
CVS III	5,199				377	377	
Citigroup	27,275	13,800	5.66 %	56.6 %	1,836	1,836	
Coats & Clark	9,523				763	892	
Walgreen VIII	5,460				401	401	
Express Scripts	51,281	28,710	4.66 %	56.0 %	4,378	4,434	(17)
DaVita Dialysis III	6,565				507	507	Increases coincide with CPI
Dollar General V	5,195				455	455	3% increase in year 10
Wal-Mart	12,633				903	903	
Kohl's	10,182				728	728	
Texas Instruments	32,000				2,328	2,375	2% increase every year
Sam's Club	12,602				851	851	
CVS IV	5,330				384	384	7.5% increase in years 10, 15 and 20
Walgreens X	9,000				671	671	
CVS V	5,759				420	420	
Provident Bank	2,589				189	189	10% increase every 5 years
Dillions II	6,420				481	481	
FedEx X	9,050				750	750	
3M	44,800	20,500	4.09 %	45.8 %	3,150	3,181	1% increase every year
Bojangles	24,789				1,998	2,030	1.5% 1.8% increases every year
Multi-tenant mortgage I ⁽⁹⁾		6,550	5.58 %	50.3 %			
Multi-tenant mortgage II ⁽¹⁰⁾		19,600	4.36 %	44.1 %			
Multi-tenant mortgage III ⁽¹¹⁾		24,700	4.51 %	64.4 %			
Multi-tenant mortgage IV ⁽¹²⁾		28,200	4.92 %	41.0 %			
Multi-tenant mortgage V ⁽¹³⁾		24,300	4.52 %	51.3 %			
Multi-tenant mortgage VI ⁽¹⁴⁾		51,600	4.93 %	62.3 %			
Multi-tenant mortgage VII ⁽¹⁵⁾		9,420	5.98 %	95.6 %			
Multi-tenant mortgage VIII ⁽¹⁶⁾		19,220	4.32 %	47.6 %			
Total Portfolio ⁽⁴⁾	\$1,259,315	\$542,662	5.44 %	43.0 %	\$96,652	\$97,397	
Investment Grade Tenants (based on Rent S&P BBB- or		%					

better)	75.5
Average	
Remaining Lease	
Term (years) ⁽⁵⁾	14.8

(1) Contract purchase price, excluding acquisition and transaction-related costs. Acquisition and transaction- related costs include legal costs, acquisition fees paid to the Advisor and closing costs on the property.

(2) Interest rate includes the effect of in-place hedges, as applicable.

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- (3) Increase does not take into account lease escalations that commence in future years or adjustments based on the Consumer Price Index.
- (4) Weighted average as of March 31, 2011.
- (5) As of March 31, 2011 Primary lease term only (excluding renewal option periods).
- (6) The effective interest rate resets at the end of year five to the then current 5-year Treasury rate plus 2.25%, but in no event will be less than 6.5%.
- (7) In August 2014 The rate adjusts to the greater of 6.55% or the rate of 5 year U.S. Treasury obligations plus 3.50%
- (8) The interest rate can be adjusted at the option of the lender at the end of the fifth year.
- (9) Loan is collateralized by 1 Walgreens and 6 Advance Auto properties
- (10) Loan is collateralized by 1 CVS, 2 Fifth Third Banks, 5 Walgreens, and 2 Chase Bank properties
- (11) Loan is collateralized by 4 Tractor Supplies, 1 O Reilly Automotive, 2 Walgreens, 1 FedEx, 4 AutoZones, and 3 Saint Joseph's Mercy Medical properties.
- (12) Loan is collateralized by a Brownshoe and a Payless property.
- (13) Loan is collateralized by 2 FedEx properties
- (14) Loan is collateralized by 6 BSFS, 2 IHOPs, 4 Jack in the Box, 3 Dollar Generals, 1 CVS land parcel, 1 Advance Auto, 2 Tractor Supplies, 6 FedEx, 1 BB&T, 1 Walgreens, 1 DaVita Dialysis, 1 Lowe's property
- (15) Loan is collateralized by 2 Walgreens properties
- (16) Loan is collateralized by 4 Walgreens properties
- (17) 2% increase in 2013, 4% increase in 2016 for one property and 2% increase every year for one property

Significant Tenants and Lease Expirations

The following table sets forth information regarding the tenant occupying ten percent or more of the aggregate rentable square footage of our real estate investment portfolio, as of March 31, 2011:

- (1) Remaining lease term in years as of March 31, 2011. If the portfolio has multiple locations with varying lease expirations, remaining lease term is calculated on a weighted-average basis.

(2) Annual rent in thousands.

The following table lists tenants whose rental income represented greater than 10% of consolidated income at March 31, 2011.

Tenant Name	% of Consolidated Net Income at March 31, 2011
FedEx	12.3 %
Walgreens	13.0 %

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The following is a summary of lease expirations for the next ten years as of March 31, 2011 (dollars in thousands):

Year of Expiration	Number of Leases Expiring	Annualized Base Rent	Percent of Portfolio Annualized Base Rent Expiring		Leased Rentable Sq. Ft.	Percent of Portfolio Rentable Sq. Ft. Expiring	
2011							
2012							
2013							
2014	2	\$ 160	0.2	%	9,841	0.1	%
2015							
2016	3	482	0.5	%	27,675	0.3	%
2017	1	179	0.2	%	12,613	0.2	%
2018	64	9,515	9.2	%	780,215	9.6	%
2019	6	2,128	2.1	%	270,133	3.3	%
2020	10	6,670	6.4	%	920,096	11.3	%
2021	8	7,855	7.6	%	859,603	10.5	%
Total	94	\$ 26,989	26.2	%	2,880,176	35.3	%

No material tenant credit issues have been identified at this time. As of March 31, 2011, we had no tenants with rent balances outstanding over 90 days.

Status of Distributions

On February 25, 2008, our Board of Directors declared a distribution for each monthly period commencing 30 days subsequent to acquiring our initial portfolio of real estate investments. Accordingly, our daily distributions commenced accruing on April 5, 2008. The REIT's initial distribution payment was paid to shareholders on May 21, 2008 representing distributions accrued from April 5, 2008 through April 30, 2008. Subsequently, we modified the payment date to the 2nd day following each month-end to stockholders of record at the close of business each day during the applicable period. The distribution was calculated based on stockholders of record each day during the applicable period at a rate of \$0.00178082191 per day, and equaled a daily amount that, if paid each day for a 365-day period, equaled a 6.5% annualized rate based on the share price of \$10.00.

On November 5, 2008, the Board of Directors of the Company approved an increase in its annual cash distribution from \$.65 to \$.67, paid monthly. Based on a \$10.00 share price, this 20-basis point increase, effective January 2, 2009, will result in an annualized distribution rate of 6.7%. For the period from January 1, 2008 through October 20, 2009 distributions paid totaled \$2,414,456, inclusive of \$933,631 of common shares issued under the distribution reinvestment plan. We have continued to pay distributions to our shareholders each month since our initial distributions payment.

On October 5, 2009, the Board of Directors of the Company approved a special distribution of \$0.05 per share payable to shareholders of record on December 31, 2009. This special distribution will be paid in January 2010, and shall be paid in addition to the current annualized distribution of \$0.67 per share. In the event we do not have enough cash to make distributions in the future, we may borrow, use proceeds from this offering, issue additional securities or sell assets in order to fund distributions.

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On January 27, 2010, the Board of Directors approved an increase in its annual cash distribution from \$.67 to \$.70, paid monthly. Based on a \$10.00 share price, this 30 basis point increase, effective April 1, 2010, will result in an annualized distribution rate of 7.0%.

To date, the Company's distributions have been paid with a combination of cash flows from operations and the proceeds from the sales of common stock. There can be no assurance that cash flows from operations will be sufficient to pay distributions in future periods.

The following table shows the sources for the payment of distributions for the year ended December 31, 2010.

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	Year Ended December 31, 2010			
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Distributions paid in cash	\$1,821	\$ 2,119	\$ 3,096	\$ 4,375
Distributions reinvested	\$1,407	\$ 1,726	\$ 2,584	\$ 3,601
Total distributions	\$3,228	\$ 3,845	\$ 5,680	\$ 7,976
Source of distributions:				
Cash flows provided by (used in) operations (GAAP basis)	\$1,821	\$ 2,119	\$ 3,096	\$ 4,375
Proceeds from issuance of common stock	\$1,407	\$ 1,726	\$ 2,584	\$ 3,601
Total sources	\$3,228	\$ 3,845	\$ 5,680	\$ 7,976

The following table compares cumulative distributions declared and paid to net loss (in accordance with GAAP) for the period from August 17, 2007 (date of inception) through December 31, 2010 (in thousands):

	For the Period from August 17, 2007 (date of inception) to December 31, 2010
Distributions paid:	
Cash	\$ 13,595
DRIP	10,755
Total distributions paid	\$ 24,350
Reconciliation of net loss:	
Rental income	\$ 65,283
Acquisition and transaction related	(12,977)
Depreciation and amortization	(33,025)
Other operating expense	(3,830)
Other income (expense)	(33,702)
Net income (loss) attributable to non-controlling interests	(132)
Net loss (in accordance with GAAP) (a)	\$ (18,383)

(a) Net loss as defined by GAAP includes the non-cash impact of depreciation and amortization expense as well as costs incurred relating to acquisitions and related transactions subsequent to January 1, 2009.

The following table summarizes the Company's historical and prospective distribution rate, reflecting the special distribution and increase to the annual rate effective April 1, 2010 noted above:

Period	Annualized Distribution Rate	Number of Months
May 2008 ⁽¹⁾ to December 2008	6.5 %	8
January 2009 to March 2010	6.7 %	15
Special Distribution January 2010 ⁽⁹⁾	0.5 %	
	7.2 % ⁽²⁾	
April 2010 to March 31, 2010	7.0 %	12

(1) initial distribution was paid in May 2008.

(2) payable to shareholders of record as of December 31, 2009, resulting in a minimum distribution rate of 7.2% for an investor who owned a common share of the Company for the full year ended December 31, 2009.

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The Company determined distributions paid to shareholders in 2010 to be reported as nondividend distributions on Form 1099 for the applicable period. Accordingly, such distributions are generally not subject to ordinary income tax in the related period. This tax characterization is consistent with distributions paid to shareholders in 2009. The tax characterization of the Company's distributions is determined on an annual basis.

The portion of the distribution that is not subject to tax in a respective tax year is considered a return of capital for tax purposes and will reduce the tax basis of a shareholder's investment. This defers a portion of applicable taxes until the investment is sold or the Company is liquidated, at which time the shareholder will be taxed at capital gains rates.

However, because each investor's tax considerations are different, the Company recommends that investors consult with their tax advisor.

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The following is a chart of monthly distributions declared and paid since the commencement of the offering:

	Total	Cash	Distribution Reinvestment Plan
2008:			
April	\$	\$	\$
May	30,262	22,008	8,254
June	49,638	35,283	14,355
July	55,042	34,788	20,254
August	57,584	36,519	21,065
September	61,395	39,361	22,034
October	61,425	41,078	20,347
November	65,496	43,646	21,850
December	64,442	42,876	21,566
	\$ 445,284	\$ 295,559	\$ 149,725
2009:			
January	\$ 69,263	46,227	\$ 23,036
February	76,027	50,214	25,813
March	74,915	49,020	25,895
April	101,282	64,375	36,907
May	128,867	78,604	50,263
June	180,039	106,741	73,298
July	217,325	127,399	89,926
August	290,230	177,620	112,610
September	375,926	220,165	155,761
October	455,051	264,729	190,322
November	563,472	328,555	234,917
December	643,125	374,715	268,410
	\$ 3,175,522	\$ 1,888,364	\$ 1,287,158
2010:			
January ⁽¹⁾	\$ 1,498,413	\$ 855,282	\$ 643,131
February	866,051	485,025	381,026
March	863,896	480,674	383,222
April	1,085,719	600,607	485,112
May	1,262,558	695,838	566,720
June	1,496,076	821,779	674,296
July	1,637,264	894,427	742,837
August	1,895,554	1,028,264	867,290
September	2,148,405	1,174,295	974,110
October	2,331,205	1,277,288	1,053,916
November	2,691,086	1,474,293	1,216,792
December	2,953,206	1,623,096	1,330,110
	\$ 20,729,432	\$ 11,410,869	\$ 9,318,563
2011:			
January	\$ 3,431,046	\$ 1,900,661	\$ 1,530,385
February	3,828,246	2,139,346	1,688,900

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March	3,869,945	2,184,887	1,685,058
	\$11,129,237	\$6,224,894	\$4,904,343
Distributions	\$35,479,475	\$19,819,686	\$15,659,789

(1) Includes the special distribution paid on January 19, 2010 to shareholders of record as of December 31, 2009.

The Company, Board of Directors and Advisor share a similar philosophy with respect to paying the dividend. The dividend should principally be derived from cash flows generated from real estate operations. Specifically, funds from operations should equal or exceed distributions in a given period. If needed, the

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Advisor generally expects to waive its asset management fee and forego entitled reimbursements to ensure the full coverage of the Company's distributions. The fees and reimbursement that are waived are not deferrals and accordingly, will not be paid by the Company.

Share Repurchase Program

As of December 31, 2010, we received requests cumulatively to date to redeem 302,528 common shares pursuant to our Share Redemption Plan. We approved the redemption of 100% of the redemption requests as of December 31, 2010, at an average price per share of \$9.788. We funded share redemptions from the cumulative proceeds of the sale of our common shares pursuant to our Dividend Reinvestment Plan.

The Company will honor repurchase requests in connection with the death or disability of a stockholder so long as the Company remains a non-traded REIT. The Company will limit the purchases that it may make pursuant to the Share Redemption Plan in any calendar year to 5.0% of the weighted average number of shares outstanding during the prior year, ratably by calendar quarter. Any changes to these policies will require a majority vote of the Company's stockholders.

Status of Fees Paid and Deferred

The following table sets forth the fees and expenses paid through December 31, 2010 (amounts in thousands).

	Total Fees Paid	Total Fees Deferred	Total Fees Forgiven per Year
January 1, 2008 to December 31, 2008			
Organizational and Offering Expenses	\$ 2,289	\$	\$ 200
Acquisition Fees	\$ 1,507	\$	\$
Finance Coordination Fees	\$ 1,131	\$	\$
Property Management Fees	\$	\$	\$ 100
Asset Management Fees	\$	\$	\$ 733
January 1, 2009 to December 31, 2009			
Organizational and Offering Expenses	\$ 7,202	\$	\$ 3,800
Acquisition Fees	\$ 1,690	\$	\$
Finance Coordination Fees	\$ 880	\$	\$
Property Management Fees	\$	\$	\$ 300
Asset Management Fees	\$ 145	\$	\$ 1,779
January 1, 2010 to December 31, 2010			
Organizational and Offering Expenses	\$ 10,665	\$	\$
Acquisition Fees	\$ 5,462	\$	\$
Finance Coordination Fees	\$ 2,679	\$	\$
Property Management Fees	\$	\$	\$ 833
Asset Management Fees	\$ 1,350	\$	\$ 4,010

Amounts paid to the advisor include approximately of \$10,728 million offering costs incurred by the affiliated advisor and dealer manager that exceeds 1.5% of gross offering proceeds earned cumulatively through September 30, 2010. Any organizational or offering expenses that exceed 1.5% of gross offering proceeds over the term of the offering will be the advisor's obligation.

We pay the advisor an annualized asset management fee of up to 1.0% based on the aggregate contract purchase price of all properties. For as long as the Company remains a non-traded REIT, the aggregate value of the asset management fees paid by the Company over the life of the offering plus the value of all restricted shares issued by the Company pursuant to its employee and director incentive restricted share plan cannot exceed 1% of the contract purchase price of all the properties based on assets held by the Company on the measurement date, adjusted for appropriate closing dates for individual property acquisitions. For purposes of this calculation, the value of the restricted stock granted to the advisor and its employees will be the value of the Company's common stock, par value \$0.01 per share, on the date of such grant. As of December 31, 2010, we paid \$4.4 million to the Advisor who will determine if such fees will be partially waived in subsequent periods on a quarter-to-quarter basis.

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Information Regarding Dilution

In connection with this ongoing offering of shares of our common stock, we are providing information about our net tangible book value per share. Our net tangible book value per share is a mechanical calculation using amounts from our audited balance sheet, and is calculated as (1) total book value of our assets less the net value of intangible assets (2) minus total liabilities less the net value of intangible liabilities, (3) divided by the total number of shares of common stock outstanding. It assumes that the value of real estate, and real estate related assets and liabilities diminish predictably over time as shown through the depreciation and amortization of real estate investments. Real estate values have historically risen or fallen with market conditions. Net tangible book value is used generally as a conservative measure of net worth that we do not believe reflects our estimated value per share. It is not intended to reflect the value of our assets upon an orderly liquidation of the company in accordance with our investment objectives. Our net tangible book value reflects dilution in the value of our common stock from the issue price as a result of (i) operating losses, which reflect accumulated depreciation and amortization of real estate investments, (ii) the funding of distributions from sources other than our cash flow from operations, and (iii) fees paid in connection with our public offering, including commissions, dealer manager fees and other offering costs. As of December 31, 2010, our net tangible book value per share was \$6.62. The offering price of shares under our primary offering (ignoring purchase price discounts for certain categories of purchasers) at December 31, 2010 was \$10.00.

Our offering price was not established on an independent basis and bears no relationship to the net value of our assets. Further, even without depreciation in the value of our assets, the other factors described above with respect to the dilution in the value of our common stock are likely to cause our offering price to be higher than the amount you would receive per share if we were to liquidate at this time.

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PROSPECTUS UPDATES

Suitability Standards

The following disclosure is to be added as the second paragraph of the section of the Prospectus entitled Suitability Standards on page (i).

FINRA Rule 2310(b)(3)(D) requires that we disclose the liquidity of prior public programs sponsored by American Realty Capital, our sponsor. American Realty Capital has sponsored the following other public programs: American Realty Capital Trust II, Inc., American Realty Capital Trust III, Inc., American Realty Capital New York Recovery REIT, Inc., American Realty Capital Healthcare Trust, Inc., American Realty Capital Retail Centers of America, Inc., Phillips Edison ARC Shopping Center REIT, Inc., ARC-Northcliffe Income Properties, Inc., American Realty Capital Properties, Inc. and Business Development Corporation of America. Although the prospectus for each of these public programs states a date or time period by which it may be liquidated, each of American Realty Capital Trust II, Inc., ARC-Northcliffe Properties, Inc. and American Realty Capital Properties, Inc. are currently in registration with the SEC and American Realty Capital New York Recovery REIT, Inc., Phillips-Edison ARC Shopping Center, Inc., American Realty Capital Healthcare Trust, Inc. American Realty Capital Trust III, Inc., American Realty Capital-Retail Centers of America, Inc. and Business Development Corporation of America are in their offering and acquisition stages. None of these public programs have reached the stated date or time period by which they may be liquidated.

The fourth bullet point under of the section of the Prospectus entitled Suitability Standards on page (ii) is revised to remove the requirement that Mississippi residents represent they have a net worth of at least 10 times the amount of their investment in the offering and other similar programs, as follows:

Alabama In addition to the suitability standards above, shares will only be sold to Alabama residents that represent that they have a liquid net worth of at least 10 times the amount of their investment in this real estate investment program and other similar programs.

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Questions and Answers about this Offering

The following language replaces the first question and response under the heading Questions and Answers about this Offering beginning on page (viii) of the Prospectus.

Q: Who is American Realty Capital Trust, Inc.?

A: We are the first REIT sponsored by American Realty Capital. We are a Maryland corporation organized on August 17, 2007 which qualified as a REIT beginning with the taxable year ended December 31, 2008. Since such time, American Realty Capital has sponsored eight other publicly offered REITS which include American Realty Capital New York Recovery REIT, Inc., or Recovery REIT, a Maryland corporation organized on October 6, 2009, Phillips Edison ARC Shopping Center REIT, Inc., or PEARC, a Maryland corporation organized on October 13, 2009, American Realty Capital Retail Centers of America, Inc., or ARC RCA, a Maryland corporation organized on July 29, 2010, American Realty Capital Healthcare Trust, Inc., or ARC HT, a Maryland corporation organized on August 23, 2010, American Realty Capital Trust II, Inc., or ARCT II, a Maryland corporation organized on September 10, 2010, ARC Northcliffe Income Properties, Inc., or ARC Northcliffe, formerly known as Corporate Income Properties ARC, Inc., a Maryland corporation organized on September 29, 2010 and American Realty Capital Properties, Inc., a Maryland corporation organized on December 2, 2010. Additionally, American Realty Capital has sponsored Business Development Corporation of America, Inc., or Business Development Corporation, a Maryland corporation organized on May 5, 2010. Business Development Corporation is a publicly offered specialty finance company which has elected to be treated as a business development company under the Investment Company Act of 1940. For additional information concerning these other American Realty Capital-sponsored REITs, please see the section in this prospectus entitled Conflicts of Interest .

The following language replaces the third question and response under the heading Questions and Answers about this Offering on page (ix) of the Prospectus.

Q: What is the experience of your officers and directors both in real estate in general and with net leased assets in particular?

A: **Nicholas S. Schorsch** has been the chairman of the board and chief executive officer of our company since its formation in August 2007. Mr. Schorsch has been the chief executive officer of our advisor and property manager since their formation in August 2007. Mr. Schorsch has been the chairman and chief executive officer of Recovery REIT since its formation in October 2009 and chief executive officer of Recovery REIT's advisor and property manager since their formation in November 2009. Mr. Schorsch has been the chairman and chief executive officer of ARC RCA and chief executive officer of the ARC RCA's advisor since their formation in July and May 2010, respectively. Mr. Schorsch has been the chairman and chief executive officer of ARC HT and chief executive officer of the ARC HT's advisor and property manager since their formation in August 2010. Mr. Schorsch has been chairman and the chief executive officer of Business Development Corporation since its formation in May 2010. Mr. Schorsch has been the chairman and chief executive officer of ARCT II and the chief executive officer of the advisor and property manager of ARCT II since their formation in September 2010. Mr. Schorsch has been the chairman and chief executive officer of ARCT III and the chief executive officer of the advisor and property manager of ARCT III since their formation in October 2010. Mr. Schorsch has been the president and director of ARC Northcliffe since its formation in September 2010. Mr. Schorsch also has been the chairman and chief executive officer of American Realty Capital Properties, Inc., or ARCP, since its formation in December 2010, and chairman and chief executive officer of its advisor since its formation in November 2010.

William M. Kahane has been a director and the president, treasurer and chief operating officer of our company since its formation in August 2007. Mr. Kahane has been president, chief operating officer and treasurer of our advisor and property manager since their formation in August 2007. Mr. Kahane has been a director and the president, chief operating officer and treasurer of Recovery REIT since its formation in October 2009. Mr. Kahane has been the

president, chief operating officer and treasurer of Recovery REIT's advisor and property manager since their formation in November 2009. Mr. Kahane has been the director of PEARC since its formation in October 2009. Mr. Kahane has been a director and the

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president and chief operating officer of ARC RCA since its formation in July 2010. Mr. Kahane has been the president and chief operating officer of ARC RCA's advisor since its formation in May 2010. Mr. Kahane has been a director and the president and treasurer of ARC HT since its formation in August 2010. Mr. Kahane has been the president and chief operating officer of ARC HT's advisor and property manager since their formation in August 2010. Mr. Kahane has been the director, president and chief operating officer of Business Development Corporation since its formation in May 2010. Mr. Kahane has been a director and the president and treasurer of ARCT II since its formation in September 2010. Mr. Kahane has been the president and treasurer of the advisor and property manager for ARCT II since their formation in September 2010. Mr. Kahane has been a president, chief operating officer and treasurer of ARCT III since its formation in October 2010. Mr. Kahane has been the president, chief operating officer and treasurer of the advisor and property manager for ARCT III since their formation in October 2010. Mr. Kahane has been the chief operating officer of ARC Northcliffe since its formation in September 2010. Mr. Kahane also has been the president, chief operating officer and a director of ARCP since its formation in December 2010 and president and chief operating officer of its advisor since its formation in November 2010.

Please also see the section entitled Management in this prospectus.

Prospectus Summary

The following language replaces the disclosure under the heading Prospectus Summary Estimated Use of Proceeds of This Offering on page 5 of the Prospectus.

Depending primarily on the number of shares we sell in this offering, we estimate for each share sold in this offering approximately \$8.71 (assuming no shares available under our distribution reinvestment plan are sold) will be available for the purchase of real estate. We will use the remainder of the offering proceeds to pay the costs of the offering, including selling commissions and the dealer manager fee, and to pay a fee to our advisor for its services in connection with the selection and acquisition of properties. We will not pay selling commissions or a dealer manager fee on shares sold under our distribution reinvestment plan. The table below sets forth our estimated use of proceeds from this offering, including an update to such information provided previously for the period ended September 30, 2010:

For the five months ended February 28, 2011 (October 1, 2010 to February 28, 2011), the amount available for investment is 90.0% of gross offering proceeds raised during the period. Such amount for the period from inception to February 28, 2011 is 88.2% as noted in the above table. With respect to net proceeds available to be invested in properties, 88.1% of the proceeds received was invested. The actual results over the recently completed five-month period coupled with our anticipated results during the remainder of the offering position the Company to achieve its estimate of investing 87.1% of gross proceeds raised in real estate investments. As

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presented within the Compensation section included in this prospectus, organization and offering expenses will not exceed 1.5% of gross proceeds at the end of the offering. Our affiliated advisor is responsible for the payment of any organization and offering expenses to the extent they exceed 1.5% of gross offering proceeds.

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*The following language is added as the second and third to last sentences of the first full paragraph under the heading **Share Repurchase Program** on page 15 of the Prospectus.*

The Company will honor repurchase requests in connection with the death or disability of a stockholder so long as the Company remains a non-traded REIT. The Company will limit the purchases that it may make pursuant to the Share Redemption Plan in any calendar year to 5.0% of the weighted average number of shares outstanding during the prior year, ratably by calendar quarter. Any changes to these policies will require a majority vote of the Company's stockholders.

*The following language replaces the disclosure under the heading **Prospectus Summary Compensation to Advisor and its Affiliates** on pages 8-10 of the Prospectus.*

Our Advisor, American Realty Capital Advisors, LLC and its affiliates will receive compensation and reimbursement for services relating to this offering and the investment and management of our assets. The most significant items of compensation are included in the table below. The selling commissions and dealer manager fee may vary for different categories of purchasers. See the **Plan of Distribution** section of this prospectus. The table below assumes the shares are sold through distribution channels associated with the highest possible selling commissions and dealer manager fees. No effect is given to any shares sold through our distribution reinvestment plan.

Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
Selling Commission	We will pay to Realty Capital Securities, LLC 7% of gross proceeds of our primary offering; we will not pay any selling commissions on sales of shares under our distribution reinvestment plan; Realty Capital Securities, LLC will reallocate all selling commissions to participating broker-dealers.	\$43,817,000/\$105,000,000
Dealer Manager Fee	We will pay to Realty Capital Securities, LLC 3% of gross proceeds of our primary offering; we will not pay a dealer manager fee with respect to sales under our distribution reinvestment plan; Realty Capital Securities, LLC may reallocate all or a portion of its dealer manager fees to participating broker-dealers.	\$21,478,000/\$45,000,000
Other Organization and Offering Expenses	We will reimburse American Realty Capital Advisors, LLC up to 1.5% of gross offering proceeds for organization and offering expenses.	\$21,392,000/\$22,500,000

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Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
	<i>Operational Stage</i>	
Acquisition Fees	We will pay to American Realty Capital Advisors, LLC 1% of the contract purchase price of each property acquired.	\$10,127,000/\$13,275,000
Acquisition Expenses	We will reimburse American Realty Capital Advisors, LLC for acquisition expenses (including, personnel costs) incurred in acquiring property. We expect these fees to be approximately 0.5% of the purchase price of each property. In no event will the total of all acquisition and advisory fees and acquisition expenses payable with respect to a particular investment exceed 4% of the contract purchase price.	\$5,813,000/\$6,000,000
Property Management and Leasing Fees	For the management and leasing of our properties, we will pay to American Realty Capital Properties, LLC, an affiliate of our advisor, a property management fee (a) 2% of gross revenues from our single tenant properties and (b) 4% of gross revenues from our multi-tenant properties, plus, in each case, market-based leasing commissions applicable to the geographic location of the property. We also will reimburse American Realty Capital Properties, LLC its costs of managing the properties. American Realty Capital Properties, LLC or its affiliates may also receive a fee for the initial leasing of newly constructed properties, which would generally equal one month's rent. In the unlikely event that American Realty Capital Properties, LLC assists a tenant with tenant improvements, a separate fee may be charged to, and payable by, us. This fee will not exceed 5% of the cost of the tenant improvements. The aggregate of all property management and leasing fees paid to our affiliates plus all payments to third parties for such fees will not exceed the amount that other nonaffiliated management and leasing companies generally charge for similar services in the same geographic location as determined by a survey of brokers and agents in such area.	Not determinable at this time. Because the fee is based on a fixed percentage of gross revenue and/or market rates, there is no maximum dollar amount of this fee.

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Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
Operating Expenses	We will reimburse our advisor's costs of providing administrative services, subject to the limitation that we will not reimburse our advisor for any amount by which our operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (a) 2% of average invested assets, or (b) 25% of net income other than any additions to reserves for depreciation, bad debt or other similar non-cash reserves and excluding any gain from the sale of assets for that period. Additionally, we will not reimburse our advisor for personnel costs in connection with services for which the advisor receives acquisition fees or real estate commissions.	Not determinable at this time.
Financing Coordination Fee	If our advisor provides services in connection with the origination or refinancing of any debt that we obtain, and use to acquire properties or to make other permitted investments, or that is assumed, directly or indirectly, in connection with the acquisition of properties, we will pay the advisor a financing coordination fee equal to 1% of the amount available and/or outstanding under such financing, subject to certain limitations.	\$5,195,000/Because this fee is based on a fixed percentage of any debt financing, there is no maximum dollar amount of this fee.
Restricted Stock Awards	We have established an employee and director incentive restricted share plan pursuant to which our directors, officers and employees (if we ever have employees), employees of our advisor and its affiliates, employees of entities that provide services to us, directors of our advisor or of entities that provide services to us, certain of our consultants and certain consultants to our advisor and its affiliates or entities that provide services to us may be granted incentive awards in the form of restricted stock. For as long as the Company remains a non-traded REIT, the aggregate value of the asset management fees paid by the Company over the life of the offering plus the value of all restricted shares issued by the Company pursuant to its employee and director incentive restricted share plan cannot exceed 1% of the contract purchase price of all the properties based on assets held by the Company on the measurement date, adjusted for appropriate	The total number of common shares reserved for issuance under the employee and director incentive restricted share plan is equal to 1.0% of our authorized shares.

closing dates for individual property acquisitions.
For purposes of this calculation, the value of the restricted stock granted to the advisor and its employees will be the value of the Company's common stock, par value \$0.01 per share, on the date of such grant.

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Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
Compensation and Restricted Stock Awards to Independent Directors	<p>On September 13, 2010, our advisor granted 934,159 restricted shares of common stock to Nicholas S. Schorsch, chief executive officer of our advisor, 212,370 restricted shares of common stock to William M. Kahane, president and chief operations officer of our advisor, 160,604 restricted shares of common stock to Peter M. Budko, executive vice president chief investment officer of our advisor, 55,270 restricted shares of common stock to Edward M. Weil, Jr., executive vice president and secretary of our advisor and 37,597 restricted shares of common stock to Brian S. Block, executive vice president and chief financial officer of our advisor. Fifty percent of the restricted shares vest over a four year period commencing with the one year anniversary of the September 13, 2010 grant date and 50% vest only to the extent our net asset value plus the distributions paid to stockholders equals 106% of the original selling price of our common stock.</p> <p>We pay to each of our independent directors a retainer of \$30,000 per year, plus \$2,000 for each board or board committee meeting the director attends in person (\$2,500 for attendance by the chairperson of the audit committee at each meeting of the audit committee) and \$1,500 for each meeting the director attends by telephone and \$750 per transaction reviewed and voted upon via electronic board meeting up to a maximum of \$2,250 for three or more transactions reviewed and voted upon per meeting. If there is a meeting of the board and one or more committees in a single day, the fees will be limited to \$2,500 per day (\$3,000 for the chairperson of the audit committee if there is a meeting of such committee).⁽¹⁾⁽²⁾</p>	The independent directors, as a group, will receive for a full fiscal year: (i) estimated aggregate compensation of approximately \$120,000 and (ii) 9,000 restricted shares of common stock.

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Type of Compensation	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares)
	<i>Liquidation/Listing Stage</i>	
Real Estate Commissions	A brokerage commission paid on the sale of property, not to exceed the lesser of one-half of reasonable, customary and competitive real estate commission or 3% of the contract price for property sold (inclusive of any commission paid to outside brokers), in each case, payable to our advisor if our advisor or its affiliates, as determined by a majority of the independent directors, provided a substantial amount of services in connection with the sale.	Not determinable at this time. Because the commission is based on a fixed percentage of the contract price for a sold property, there is no maximum dollar amount of these commissions.
Subordinated Participation in Net Sale Proceeds (payable only if we are not listed on an exchange)	15% of remaining net sale proceeds after return of capital contributions plus payment to investors of a 6% cumulative, non-compounded return on the capital contributed by investors. We cannot assure you that we will provide this 6% return, which we have disclosed solely as a measure for our advisor s and its affiliates incentive compensation. We will not be entitled to the Subordinated Participation in Net Sale Proceeds unless our investors have received a 6% cumulative non-compounded return on their capital contributions.	Not determinable at this time. There is no maximum amount of these payments.
Subordinated Incentive Listing Fee (payable only if we are listed on an exchange, which we have no intention to do at this time)	15% of the amount by which our adjusted market value plus distributions exceeds the aggregate capital contributed by investors plus an amount equal to an 6% cumulative, non-compounded annual return to investors. We cannot assure you that we will provide this 6% return, which we have disclosed solely as a measure for our advisor s and its affiliates incentive compensation. We will not be entitled to the Subordinated Incentive Listing Fee unless our investors have received a 6% cumulative non-compounded return on their capital contributions.	Not determinable at this time. There is no maximum amount of this fee.

- (1) An independent director who is also an audit committee chairperson will receive an additional \$500 for personal attendance of all audit committee meetings.
- (2) If there is a board meeting and one or more committee meetings in one day, the director s fees shall not exceed \$2,500 (\$3,000 for the chairperson of the audit committee if there is a meeting of such committee).

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Risk Factors

The following language is added immediately prior to the first complete risk factor on page 17 under the heading Risk Factors Risks Related to Conflicts of Interest in the Prospectus.

The management of multiple REITs, especially REITs in the development stage, by our executive officers and officers of our advisor may significantly reduce the amount of time our executive officers and officers of our advisor are able to spend on activities related to us and may cause other conflicts of interest, which may cause our operating results to suffer.

Our executive officers and officers of our advisor are part of the senior management or are key personnel of the other eight American Realty Capital-sponsored REITs and their advisors. Five of the American Realty Capital-sponsored REITs, have registration statements that are not yet effective and are in the development phase, and three of the American Realty Capital-sponsored REITs have registration statements that became effective in the past six months. As a result, such REITs will have concurrent and/or overlapping fundraising, acquisition, operational and disposition and liquidation phases as us, which may cause conflicts of interest to arise throughout the life of our company with respect to, among other things, finding investors, locating and acquiring properties, entering into leases and disposing of properties. Additionally, based on our sponsor's experience, a significantly greater time commitment is required of senior management during the development stage when the REIT is being organized, funds are initially being raised and funds are initially being invested, and less time is required as additional funds are raised and the offering matures. The conflicts of interest each of our executive officers and each officer of our advisor will face may delay our fund raising and investment of our proceeds due to the competing time demands and generally cause our operating results to suffer.

We will compete for investors with other programs of our sponsor, which could adversely affect the amount of capital we have to invest.

The American Realty Capital group of companies is currently the sponsor of nine public offerings of non-traded REIT shares and a public offering of shares for a REIT that has applied for listing on The NASDAQ Capital Market, which offerings will be ongoing during a significant portion of our offering period. These programs all have filed registration statements for the offering of common stock and intend to elect to be taxed as REITs. The offerings will likely occur concurrently with our offering, and our sponsor is likely to sponsor other offerings during our offering period. Our dealer manager is the dealer manager for these other offerings. We will compete for investors with these other programs, and the overlap of these offerings with our offering could adversely affect our ability to raise all the capital we seek in this offering, the timing of sales of our shares and the amount of proceeds we have to spend on real estate investments.

Estimated Use of Proceeds

The following language replaces the disclosure under the heading Estimated Use of Proceeds on pages 47-48 of the Prospectus.

The following table sets forth information about how we intend to use the proceeds raised in this offering, including an update to such information provided previously for the period ended September 30, 2010. The table assumes that we sell the maximum offering of 150,000,000 shares of common stock pursuant to this. Many of the figures set forth

below with respect to the maximum offering amount represent management's best estimate since they cannot be precisely calculated at this time. Assuming a maximum offering, we expect that approximately 87.115% of the money that stockholders invest will be used to buy real estate or make other investments and approximately 0.1% will be used for working capital, while the remaining approximately 12.885% will be used to pay expenses and fees including the payment of fees to Realty Capital Advisors, LLC, our advisor, and Realty Capital Securities, LLC, our dealer manager.

For the five months ended February 28, 2011 (October 1, 2010 to February 28, 2011), the amount available for investment is 90.0% of gross offering proceeds raised during the period. Such amount for the period from inception to

February 28, 2011 is 88.2% as noted in the above table. With respect to net proceeds available to be invested in properties, 88.1% of the proceeds received was invested. The actual results over the recently completed five-month period coupled with our anticipated results during the remainder of the offering position the Company to achieve its estimate of investing 87.1% of gross proceeds raised in real estate

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investments. As presented within the Compensation section included in this prospectus, organization and offering expenses will not exceed 1.5% of gross proceeds at the end of the offering. Our affiliated advisor is responsible for the payment of any organization and offering expenses to the extent they exceed 1.5% of gross offering proceeds.

Based up our actual sale of 41,908,409 shares as of September 30, 2010 to the public at a price of \$10.00 per share.

- (1) No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at \$9.50 per share.

Based up our actual sale of 32,945,591 shares for the period from October 1, 2010 to February 28, 2011 to the

- (2) public at a price of \$10.00 per share. No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at \$9.50 per share.

Based up our actual sale of 74,854,000 shares as of February 28, 2011 to the public at a price of \$10.00 per share.

- (3) No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at \$9.50 per share.

Assumes the maximum offering is sold, which includes 150,000,000 shares offered to the public at \$10.00 per

- (4) share. No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at \$9.50 per share.

Includes selling commissions equal to 7% of aggregate gross offering proceeds, which commissions may be reduced for volume discounts described in Plan of Distribution Volume Discounts herein, and a dealer manager fee equal to 3% of aggregate gross offering proceeds, both of which are payable to the dealer manager, an affiliate of our advisor. The dealer manager, in its sole discretion, may reallocate selling commissions of up to 7% of gross offering proceeds to other broker-dealers participating in this offering attributable to the shares sold by them and may reallocate its dealer manager fee up to 2.5% of gross offering proceeds in marketing fees and 0.5% of gross offering proceeds in bona fide due diligence expenses (identified in an itemized invoice of their actual costs) to broker-dealers participating in this offering based on such factors including the participating broker-dealer's level of marketing support, level of due diligence review and success of its sales efforts, each as compared to those of the other participating broker-dealers. Additionally, we will not pay a selling commission or a dealer manager fee on shares purchased pursuant to our distribution reinvestment plan. See the Plan of Distribution section of this prospectus for a description of the volume discount provisions.

- (5) Organization and offering expenses consist of reimbursement of actual legal, accounting, printing and other accountable offering expenses, including amounts to reimburse American Realty Capital Advisors, LLC, our advisor, for marketing, salaries and direct expenses of its employees, and employees of its affiliates while engaged in registering and marketing the shares (including, without limitation, development of marketing materials and marketing presentations, and participating in due diligence, training seminars and educational conferences) and
- (6) other marketing, coordination, administrative oversight and organization costs, other than selling commissions and the dealer manager fee. American Realty Capital Advisors, LLC and its affiliates are responsible for the payment of organization and offering expenses, other than selling commissions and the dealer manager fee, to the extent they exceed 1.5% of gross offering proceeds, without recourse against or reimbursement by us; provided, however, that in no event will we pay or reimburse organization and offering expenses in excess of 10% of the

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gross offering proceeds. We currently estimate that approximately \$22,500,000 of organization and offering costs will be incurred if the maximum offering of 150,000,000 shares is sold.

Until required in connection with the acquisition and/or development of properties, substantially all of the net proceeds of the offering and, thereafter, any working capital reserves we may have, may be invested in short-term, (7) highly-liquid investments including government obligations, bank certificates of deposit, short-term debt obligations and interest-bearing accounts.

Acquisition fees are defined generally as fees and commissions paid by any party to any person in connection with identifying, reviewing, evaluating, investing in and the purchase, development or construction of properties. We will pay to our advisor, acquisition fees of 1% of the gross purchase price of each property acquired, which for (8) purposes of this table we have assumed is an aggregate amount equal to our estimated amount invested in properties. Acquisition fees do not include acquisition expenses. For purposes of this table, we have assumed that no financing is used to acquire properties or other real estate assets.

Acquisition expenses include legal fees and expenses, travel expenses, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses, title insurance premiums and other closing costs, personnel costs and miscellaneous expenses relating to the selection, acquisition and development of real estate properties. For purposes of this table, we have assumed expenses of 0.5% of average invested assets, which for purposes of this table we have assumed is our estimated amount invested in properties; however, expenses on a (9) particular acquisition may be higher. Notwithstanding the foregoing, the total of all acquisition expenses and acquisition fees payable with respect to a particular property or investment shall be reasonable, and shall not exceed an amount equal to 4% of the gross purchase price of the property, or in the case of a mortgage loan 4% of the funds advanced, unless a majority of our directors (including a majority of our independent directors) not otherwise interested in the transaction approve fees and expenses in excess of this limit and determine the transaction to be commercially competitive, fair and reasonable to us.

Working capital reserves typically are utilized for extraordinary expenses that are not covered by revenue generation of the property, such as tenant improvements, leasing commissions and major capital expenditures. (10) Alternatively, a lender may require its own formula for escrow of working capital reserves. Because we expect most of our leases will be net leases, as described elsewhere herein, we do not expect to maintain significant working capital reserves.

(11) Includes amounts anticipated to be invested in properties net of fees, expenses and initial working capital reserves.

Management

The following disclosure is added as the second paragraph of the section of the Prospectus entitled Management General on page 49 of the Prospectus.

Our promoters are Nicholas S. Schorsch, William M. Kahane, Peter M. Budko, Brian S. Block and Edward M. Weil, Jr., who are each officers and/or members of our board.

The following language is added as the second to last paragraph under the heading Restricted Share Plan on page 57 of the Prospectus.

In April 2011, the Board of Directors approved the modification of the employee and director incentive restricted share plan to provide that, for as long as the Company remains a non-traded REIT, the aggregate value of the asset management fees paid by the Company over the life of the offering plus the value of all restricted shares issued by the Company pursuant to its employee and director incentive restricted share plan cannot exceed 1% of the contract purchase price of all the properties based on assets held by the Company on the measurement date, adjusted for appropriate closing dates for individual property acquisitions. For purposes of this calculation, the value of the

restricted stock granted to the advisor and its employees will be the value of the Company's common stock, par value \$0.01 per share, on the date of such grant.

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The following language is added as the second and third sentences of the first paragraph under the heading "Certain Relationships and Related Transactions" on page 66 of the Prospectus.

For as long as the Company remains a non-traded REIT, the aggregate value of the asset management fees paid by the Company over the life of the offering plus the value of all restricted shares issued by the Company pursuant to its employee and director incentive restricted share plan cannot exceed 1% of the contract purchase price of all the properties based on assets held by the Company on the measurement date, adjusted for appropriate closing dates for individual property acquisitions. For purposes of this calculation, the value of the restricted stock granted to the advisor and its employees will be the value of the Company's common stock, par value \$0.01 per share, on the date of such grant.

The following language replaces the disclosure under the heading "Management - Executive Officers and Directors" on pages 51 - 55 of the Prospectus

We have provided below certain information about our executive officers and directors, all of whom, other than the Independent Directors, are employees only of American Realty Capital Advisors, LLC and not of any other of the affiliates.

Name	Age	Position(s)
Nicholas S. Schorsch	50	Chairman of the Board of Directors and Chief Executive Officer
William M. Kahane	62	President, Chief Operating Officer, Treasurer and Director
Peter M. Budko	51	Executive Vice President and Chief Investment Officer
Brian S. Block	39	Executive Vice President and Chief Financial Officer
Edward M. Weil, Jr.	44	Executive Vice President and Secretary
Leslie D. Michelson	59	Independent Director
William G. Stanley	55	Independent Director
Robert H. Burns	81	Independent Director

Nicholas S. Schorsch

Nicholas S. Schorsch has served as the Chairman of the Board and Chief Executive Officer of our Company since its formation in 2007. He has also been the Chief Executive Officer of American Realty Capital Properties, LLC, and the Advisor since their formation in 2007. Since October 2009, Mr. Schorsch has also served as Chairman of the Board and Chief Executive Officer of American Realty Capital New York Recovery REIT, Inc. ("Recovery REIT") and Chief Executive Officer of the property manager and advisor of Recovery REIT. Mr. Schorsch has been the Chairman and Chief Executive Officer of American Realty Capital Retail Centers of America, Inc. ("ARC RCA") and Chief Executive Officer of ARC RCA's advisor since their formation in July and May 2010, respectively. Mr. Schorsch has been Chairman and the Chief Executive Officer of Business Development Corporation of American ("BDCA") since its formation in May 2010. Mr. Schorsch has been the Chairman and Chief Executive Officer of American Realty Capital Healthcare Trust, Inc. ("ARC HT") and Chief Executive Officer of the ARC HT's advisor and property manager since their formation in August 2010. Mr. Schorsch has been the Chairman and Chief Executive Officer of American Realty Capital Trust II, Inc. ("ARCT II") and the Chief Executive Officer of the advisor and property manager of ARCT II since their formation in September 2010. Mr. Schorsch has served as the Chairman and Chief Executive Officer of American Realty Capital Trust III, Inc. ("ARCT III") and the Chief Executive Officer of its advisor and property manager since their formation in October 2010. Mr. Schorsch has been the President and Director of ARC Northcliffe Income Properties, Inc. ("ARC Northcliffe") since its formation in September 2010. Mr. Schorsch has also been the Chairman and Chief Executive Officer of American Realty Capital Properties, Inc. ("ARCP") since its formation in

December 2010, and Chief Executive Officer of its advisor since its formation in November 2010.

Prior to his current position with our Company, from September 2006 to July 2007, Mr. Schorsch was Chief Executive Officer of an affiliate, American Realty Capital, a real estate investment firm. Mr. Schorsch founded and formerly served as President, Chief Executive Officer and vice chairman of American Financial Realty Trust (AFRT) from its inception as a REIT in September 2002 until August 2006. AFRT was a

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publicly traded REIT that invested exclusively in offices, operation centers, bank branches, and other operating real estate assets that are net leased to tenants in the financial service industry, such as banks and insurance companies.

From 1995 to September 2002, Mr. Schorsch served as Chief Executive Officer and president of American Financial Resource Group (AFRG), AFRT's predecessor, a private equity firm founded for the purpose of acquiring operating companies and other assets in a number of industries. Through AFRG and its successor corporation, AFRT, Mr. Schorsch executed in excess of 1,000 acquisitions acquiring businesses and real estate property with transactional value of approximately \$5.0 billion. In 2003, Mr. Schorsch received an Entrepreneur of the Year award from Ernst & Young LLP. Prior to AFRG, Mr. Schorsch served as President of Thermal Reduction, a non-ferrous metal product manufacturing business. He successfully built the business through mergers and acquisitions and ultimately sold his interests to Corpro (NYSE) in 1994. Mr. Schorsch attended Drexel University.

We believe that Mr. Schorsch's current experience as chairman and chief executive officer of Recovery REIT, ARC RCA, ARC HT, ARCT II, ARCT III, BDCA and ARCP, his experience as president and a director of ARC Northcliffe, his previous experience as President, Chief Executive Officer and vice chairman of AFRT, and his significant real estate acquisition experience make him well qualified to serve as our Chairman of the Board.

William M. Kahane

William M. Kahane has served as President, Chief Operating Officer and Treasurer of our Company since its formation in 2007. He has also been the President, Chief Operating Officer and Treasurer of American Realty Capital Properties, LLC, and the Advisor since their formation in 2007. Since October 2009, Mr. Kahane has also served as the President, Treasurer and director of Recovery REIT and President, Chief Operating Officer and Treasurer of both the property manager and advisor of Recovery REIT. Mr. Kahane has been the director of Phillips Edison ARC Shopping Center REIT, Inc. (PEARC) since its formation in October 2009. Mr. Kahane has been a director and the President and Chief Operating Officer of ARC RCA since its formation in July 2010. Mr. Kahane has been the President and Chief Operating Officer of ARC RCA's advisor since its formation in May 2010. Mr. Kahane has been a director and the President and Treasurer of ARC HT since its formation in August 2010. Mr. Kahane has been the President and Chief Operating Officer of ARC HT's advisor and property manager since their formation in August 2010. Mr. Kahane has been a director and President of Business Development Corporation since its formation in May 2010. Mr. Kahane has been the President, Chief Operating Officer and Treasurer of ARCT II and its advisor and property manager since its formation in September 2010. Kahane has been the Chief Operating Officer of ARC Northcliffe since its formation in September 2010. Mr. Kahane has been the President, Chief Operating Officer and Treasurer of ARCT III and its advisor and property manager since their formation in October 2010. Mr. Kahane has been the President, Chief Operating Officer and a director of ARCP since its formation in December 2010 and President and Chief Operating Officer of its advisor since its formation in November 2010.

Mr. Kahane has been active in the acquisition, structuring and financial management of commercial real estate investments for over 35 years. He began his career as a real estate lawyer practicing in the public and private sectors from 1974 to 1979. From 1981 to 1992, Mr. Kahane worked at Morgan Stanley & Co., specializing in real estate and become a managing director in 1989. In 1992, Mr. Kahane left Morgan Stanley to establish a real estate advisory and asset sales business known as Milestone Partners which continues to operate and of which Mr. Kahane is currently the Chairman. Mr. Kahane worked very closely with Mr. Schorsch while a trustee at AFRT (April 2003 to August 2006), during which time Mr. Kahane served as chairman of the finance committee of the board of trustees. Mr. Kahane has been a managing director of GF Capital Management & Advisors LLC, a New York-based merchant banking firm, where he has directed the firm's real estate investments since 2001. GF Capital offers comprehensive wealth management services through its subsidiary TAG Associates LLC, a leading multi-client family office and portfolio

management services company with approximately \$5 billion of assets under management. Since 2008, Mr. Kahane has served as a member of the Investment Committee of Aetos Capital Asia III Advisors LLC, an investment fund managed by Aetos Capital, which is focused on investments in real estate and related assets primarily in Japan and China. From 1997 until 2005, Mr. Kahane also was on the board of directors of Catellus Development

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Corp., an NYSE growth-oriented real estate development company, where he served as chairman. Mr. Kahane received a B.A. from Occidental College, a J.D. from the University of California, Los Angeles Law School and an M.B.A. from Stanford University's Graduate School of Business where he was a Mason Smith Fellow and received a Japan Foundation Grant. Mr. Kahane serves as a trustee of Occidental College and is a member of the Board of Trustees of Temple Emanu-El in New York City.

We believe that Mr. Kahane's current experience as Director and President of Recovery REIT, ARC RCA, ARC HT, PEARC, ARCP and BDCA, his experience as Chief Operating Officer of ARC Northcliffe and his significant investment banking experience in real estate make him well qualified to serve as a member of our Board of Directors.

Peter M. Budko

Peter M. Budko has served as Executive Vice President and Chief Investment Officer of our Company since its formation in 2007. He is also Executive Vice President and Chief Investment Officer of the Advisor and American Realty Capital Properties, LLC. Since October 2009, Mr. Budko has also served as Executive Vice President & Chief Operating Officer of Recovery REIT and Executive Vice President of both the property manager and advisor of Recovery REIT. Mr. Budko has served as Executive Vice President and Chief Investment Officer of ARC RCA since its formation in July 2010. Mr. Budko has served as Executive Vice President and Chief Investment Officer of ARC RCA's advisor since its formation in May 2010. Mr. Budko has served as Executive Vice President and Chief Investment Officer of ARC HT since its formation in August 2010. Mr. Budko has served as Executive Vice President of ARC HT's advisor and property manager since their formation in August 2010. Mr. Budko has served as Executive Vice President and Chief Investment Officer of Business Development Corporation since its formation in May 2010.

Mr. Budko has served as Executive Vice President and Chief Investment Officer of ARCT II and its advisor and property manager since their formation in September 2010. Mr. Budko has served as Executive Vice President and Chief Investment Officer of ARCT III and its advisor and property manager since their formation in October 2010.

Mr. Budko has also been Executive Vice President and Chief Investment Officer of ARCP since its formation in December 2010 and Executive Vice President and Chief Investment Officer of its advisor since its formation in November 2010. Prior to his current position with the Company, from January 2007 to July 2007, Mr. Budko was Chief Operating Officer of an affiliated American Realty Capital real estate investment firm. Mr. Budko founded and formerly served as managing director and group head of the Structured Asset Finance Group, a division of Wachovia Capital Markets, LLC from February 1997 to January 2006. The Structured Asset Finance Group structures and invests in real estate that is net leased to corporate tenants. While at Wachovia, Mr. Budko acquired over \$5.0 billion of net leased real estate assets. From 1987 to 1997, Mr. Budko worked in the Corporate Real Estate Finance Group at NationsBank Capital Market (predecessor to Bank of America Securities), becoming head of the group in 1990. Mr.

Budko received a B.A. in Physics from the University of North Carolina.

Brian S. Block

Brian S. Block has served as our Executive Vice President and Chief Financial Officer since September 2007. He is also executive Vice President and Chief Financial Officer of the Advisor and American Realty Capital Properties, LLC. Since October 2009, Mr. Block has also served as Executive Vice President & Chief Financial Officer of Recovery REIT and the property manager and advisor of Recovery REIT. Mr. Block has served as Executive Vice President and Chief Financial Officer of ARC RCA since its formation in July 2010. Mr. Block has served as Executive Vice President and Chief Financial Officer of ARC RCA's advisor since its formation in May 2010. Mr. Block has served as Executive Vice President and Chief Financial Officer of ARC HT and its advisor and property manager since their formation in August 2010. Mr. Block has served as Executive Vice President and Chief Financial Officer of Business Development Corporation since its formation in May 2010. Mr. Block has served as Executive

Vice President and Chief Financial Officer of ARCT II and its advisor and property manager since their formation in September 2010. Mr. Block has served as Executive Vice President and Chief Financial Officer of ARCT III and its advisor and property manager since their formation in October 2010. Mr. Block has been the Chief Financial Officer of ARC Northcliffe since its formation in September 2010. Mr. Block has also been Executive Vice President and Chief Financial Officer of ARCP since its formation in December 2010 and Executive Vice President and Chief Financial Officer of its advisor since its formation in November 2010. Mr. Block is responsible for the

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accounting, finance and reporting functions at our Company. He has extensive experience in SEC reporting requirements as well as REIT tax compliance matters. Mr. Block began his career in public accounting at Ernst & Young LLP and Arthur Andersen LLP from 1994 to 2000. Subsequently, Mr. Block was the Chief Financial Officer of a venture capital-backed technology company prior to joining AFR in 2002. While at AFR, Mr. Block served as Senior Vice President and Chief Accounting Officer from 2003 to 2007 and oversaw the financial, administrative and reporting functions of the organization. He is a certified public accountant and is a member of the AICPA and PICPA.

Edward M. Weil, Jr.

Edward M. Weil, Jr. has served as our Executive Vice President and Secretary since May 2007. He is also Executive Vice President and Secretary of the Advisor and American Realty Capital Properties, LLC. Since October 2009, Mr. Weil has also served as Executive Vice President and Secretary of Recovery REIT and of both the property manager and advisor of Recovery REIT. Mr. Weil has served as Executive Vice President and Secretary of ARC RCA since its formation in July 2010. Mr. Weil has served as Executive Vice President and Secretary of ARC RCA's advisor since its formation in May 2010. Mr. Weil has served as Executive Vice President and Secretary of ARC HT and its advisor and property manager since their formation in August 2010. Mr. Weil has served as Executive Vice President and Secretary of ARCT II and its advisor and property manager since their formation in September 2010. Mr. Weil has served as Executive Vice President and Secretary of ARCT III and its advisor and property manager since their formation in October 2010. Mr. Weil has also been Executive Vice President and Secretary of ARCP since its formation in December 2010 and Executive Vice President and Secretary of its advisor since its formation in November 2010. Mr. Weil has been the Chief Executive Officer of Realty Capital Securities, LLC, our dealer manager, since December 2010. Mr. Weil was formerly the Senior Vice President of Sales and Leasing for AFRT from April 2004 to October 2006, where he was responsible for the disposition and leasing activity for a 33 million square foot portfolio. Under the direction of Mr. Weil, his department was the sole contributor in the increase of occupancy and portfolio revenue through the sales of over 200 properties and the leasing of over 2.2 million square feet, averaging 325,000 square feet of newly executed leases per quarter. From October 2006 to May 2007, Mr. Weil was managing director of Milestone Partners Limited and prior to joining AFRT, from July 1987 to April 2004, Mr. Weil was president of Plymouth Pump & Systems Co. Mr. Weil has his Series 7,63 and 24 licenses.

Leslie D. Michelson

Leslie D. Michelson was appointed as an Independent Director of our Company on January 22, 2008. Mr. Michelson has also served as an Independent Director of Recovery REIT since 2009 and BDCA and ARC HT since January 2011. Mr. Michelson has served as the chairman and Chief Executive Officer of Private Health Management, a retainer-based primary care medical practice management company since April 2007. Mr. Michelson served as vice chairman and Chief Executive Officer of the Prostate Cancer Foundation, the world's largest private source of prostate cancer research funding, from April 2002 until December 2006 and currently serves on its board of directors. Mr. Michelson served on the board of directors of Catellus Development Corp. from 1997 until 2004 when the company was sold to ProLogis. Mr. Michelson was a member of the Audit Committee of the board of directors for 5 years and served at various times as the Chairman of the Audit Committee and the Compensation Committee. From April 2001 to April 2002, he was an investor in, and served as an advisor or director of, a portfolio of entrepreneurial healthcare, technology and real estate companies. From March 2000 to August 2001, he served as Chief Executive Officer and as a director of Acurian, Inc., an Internet company that accelerates clinical trials for new prescription drugs. From 1999 to March 2000, Mr. Michelson served as an adviser of Saybrook Capital, LLC, an investment bank specializing in the real estate and health care industries. From June 1998 to February 1999, Mr. Michelson served as chairman and co-Chief Executive Officer of Protocare, Inc., a manager of clinical trials for the pharmaceutical industry and disease management firm. From 1988 to 1998, he served as chairman and Chief Executive Officer of Value Health Sciences,

Inc., an applied health services research firm he co-founded. Mr. Michelson has been a director of Natestch Pharmaceutical Company Inc., a NASDAQ-traded biotechnology company focused on innovative drug delivery technology, from 2004 to 2008, of Highlands Acquisition Company, an AMEX-traded special purpose acquisition company, from 2007 to 2009, and of G&L Realty Corp., a NYSE-traded medical office building REIT from 1995 to 2001, and of Landmark

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Imaging, a privately held diagnostic imaging and treatment company from 2007 to 2010. Also since June 2004 and through the present, he has been and is a director and Vice Chairman of ALS-TDI, a philanthropy dedicated to curing Amyotrophic Lateral Sclerosis (ALS), commonly known as Lou Gehrig's disease. Mr. Michelson received his B.A. from The Johns Hopkins University in 1973 and a J.D. from Yale Law School in 1976.

We believe that Mr. Michelson's current experience as a Director of Recovery REIT, BDCA and ARC HT, his previous experience as a member of the Board of Directors of Catellus Development Corp. and his legal education make him well qualified to serve as a member of our Board of Directors.

William G. Stanley

William G. Stanley was appointed as an Independent Director of our Company on January 22, 2008. Mr Stanley has also served as an Independent Director of Recovery REIT since 2009, BDCA since January 2011 and ARC RCA since February 2011. Mr. Stanley is the founder and managing member of Stanley Laman Securities, LLC, a FINRA member broker-dealer, since 2004, and the founder and president of The Stanley-Laman Group, Ltd (SLG), a registered investment advisor for high net worth clients since 1997. Mr. Stanley serves on the Advisory Board of Highland Capital's, High Cap Group. Highland Capital is a wholly owned subsidiary of National Financial Partners (NYSE:NFP). The Stanley-Laman Group has two separate groups within the organization, the Planning Group and the Investment Management Group. The Planning Group represents high worth families and family offices specializing in business continuity and estate planning using propriety computer models and tax planning techniques that have been researched, applied and refined over 30 years. SLG represents some of the wealthiest families in the world and has recently expanded its planning practice to international client matters. The Investment Management Group manages portfolios using proprietary trading and security selection techniques along with a global economic research. SLG acts as a separate account manager for other financial advisors nationally through Charles Schwab's Institutional Separate Account Manager Platform. Mr. Stanley has earned designations as a Chartered Financial Consultant, Chartered Life Underwriter, and received his Masters Degree in Financial Services from the American College in 1997. Mr. Stanley served as an auditor for General Electric Capital from 1977 to 1979 and as a registered representative for Capital Analysts, Inc. of Radnor, Pennsylvania, a national investment advisory firm that specialized in sophisticated planning for high net worth individuals from 1979 to 1991. Mr. Stanley received a B.A. from Concord University and a Masters of Financial Services from The American College. He has also received the following designations: Chartered Life Underwriter from The American College; Chartered Financial Consultant from The American College.

We believe that Mr. Stanley's current experience as a director of Recovery REIT, BDCA and ARC RCA as well as his significant background in finance makes him well qualified to serve on our Board of Directors.

Robert H. Burns

Robert H. Burns was appointed as an Independent Director of our Company on January 22, 2008. Mr. Burns has also served as an Independent Director of Recovery REIT since 2009 and ARCT III since January 2011. Mr. Burns is a hotel industry veteran with an international reputation and over thirty years of hotel, real estate, food and beverage and retail experience. He founded and built the luxurious Regent International Hotels brand, which he sold in 1992. From 1970 to 1992, Mr. Burns served as chairman and Chief Executive Officer of Regent International Hotels, where he was personally involved in all strategic and major operating decisions. Mr. Burns and his team of professionals performed site selection, obtained land use and zoning approvals, performed all property due diligence, financed each project by raising both equity and arranging debt, oversaw planning, design and construction of each hotel property, and managed each asset. Each Regent hotel typically contained a significant food and beverage element and high-end retail component, frequently including luxury goods such as clothing, jewelry, as well as retail shops. In fact, Mr.

Burns is extremely familiar with the retail landscape as his flagship hotel in Hong Kong was part of a mixed-use complex anchored by a major enclosed shopping center connected to the Regent Hong Kong. Mr. Burns opened the first Regent hotel in Honolulu, Hawaii, in 1970. From 1970 to 1979, the company opened and managed a number of prominent hotels, but gained truly international recognition in 1980 with the opening of The Regent Hong Kong, which brought a new dimension in amenities and service to hotels in the city and attracted attention throughout the world. In all, Mr. Burns developed over 18 major hotel projects including

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the Four Seasons Hotel in New York City, the Beverly Wilshire Hotel in Beverly Hills, the Four Seasons Hotel in Milan, Italy, and the Four Seasons Hotel in Bali, Indonesia. Mr. Burns currently serves as chairman of Barings Chrysalis Emerging Markets Fund, a position he has held since 1991, and as a director of Barings Asia Pacific Fund, a position he has held since 1986. Additionally, he has been a member of the executive committee of the board of directors of Jazz at Lincoln Center in New York City since 2000. He also chairs the Robert H. Burns Foundation which he founded in 1992. The Robert H. Burns Foundation funds the education of Asian students at American schools. Mr. Burns frequently lectures at Stanford Business School. Mr. Burns served as a faculty member at the University of Hawaii from 1963 to 1994 and as president of the Hawaii Hotel Association from 1968 to 1970. Mr. Burns began his career in Sheraton's Executive Training Program in 1958, and advanced within Sheraton and then within Westin Hotels from 1962 to 1963. He later spent eight years with Hilton International Hotels from 1963 to 1970. Mr. Burns graduated from the School of Hotel Management at Michigan State University in 1958 and the University of Michigan's Graduate School of Business in 1960 after serving three years in the U.S. Army in Korea. For the past five years Mr. Burns has devoted his time to owning and operating Villa Feltrinelli on Lago di Garda, in Northern Italy, a small, luxury hotel, and working on developing hotel projects in Asia, focusing on Vietnam and China.

We believe that Mr. Burns' current experience as a director of Recovery REIT and ARCT III and his experience as a real estate developer for over 40 years, during which he developed over eighteen 18 major hotel projects, make him well qualified to serve as a member of our Board of Directors.

The following language replaces the disclosure under the heading "Management Compensation of Directors" on page 55 of the Prospectus.

We pay to each of our independent directors a retainer of \$30,000 per year, plus \$2,000 for each board or board committee meeting the director attends in person (\$2,500 for attendance by the chairperson of the audit committee at each meeting of the audit committee) and \$1,500 for each meeting the director attends by telephone and \$750 for each transaction reviewed and voted upon with a maximum of \$2,250 for three or more transactions reviewed and voted upon per meeting. In the event there is a meeting of the board and one or more committees in a single day, the fees will be limited to \$2,500 per day (\$3,000 for the chairperson of the audit committee if there is a meeting of such committee). Our board of directors also may approve the acquisition of real property and other related investments valued at \$10,000,000 or less via electronic board meetings whereby the directors cast their votes in favor or against a proposed acquisition via email.

In addition, pursuant to our stock option plan adopted in January 2008, we have reserved 1,000,000 shares of common stock for future issuance upon the exercise of stock options that may be granted to our independent directors pursuant to our stock option plan (described below). Such stock options will have an exercise price equal to \$10.00 per share during such time as we are offering shares to the public at \$10.00 per share and thereafter at 100% of the then-current fair market value per share. The total number of options granted will not exceed 10% of the total outstanding shares of common stock at the time of grant. To date, we have granted each of our independent directors options to purchase 9,000 shares of common stock. Such options have an exercise price equal to \$10.00 per share and vest after two years from the date of grant.

Additionally, our employee and director incentive restricted share plan, adopted in January, 2010, provides for the automatic grant of 3,000 restricted shares of common stock to each of our independent directors, without any further action by our board of directors or the stockholders on the date of initial election to the board and on the date of each annual stockholders' meeting. Each of our independent directors received a grant of 3,000 restricted shares of common stock on the date of the 2010 annual stockholders meeting. All directors receive reimbursement of reasonable out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. If a director also

is an employee of American Realty Capital Trust, Inc. or American Realty Capital Advisors, LLC or their affiliates, we do not pay compensation for services rendered as a director.

In April 2011, the Board of Directors approved the modification of the employee and director incentive restricted share plan to provide that, for as long as the Company remains a non-traded REIT, the aggregate value of the asset management fees paid by the Company over the life of the offering plus the value of all restricted shares issued by the Company pursuant to its employee and director incentive restricted share plan cannot exceed 1% of the contract purchase price of all the properties based on assets held by the Company on

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the measurement date, adjusted for appropriate closing dates for individual property acquisitions. For purposes of this calculation, the value of the restricted stock granted to the advisor and its employees will be the value of the Company's common stock, par value \$0.01 per share, on the date of such grant.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)	Restricted Shares
Independent Directors ⁽²⁾	\$30,000 yearly retainer; \$2,000 for all meetings personally attended by the directors and \$1,500 for each meeting attended via telephone; \$750 per transaction reviewed and voted upon via electronic board meeting up to a maximum of \$2,250 for three or more transactions reviewed and voted upon per meeting. ⁽¹⁾	1,000,000 shares of common stock reserved for future issuance upon the exercise of stock options that may be granted to independent directors pursuant to stock option plan. Such stock options will have an exercise price equal to \$10.00 per share during such time as we are offering shares to the public at \$10.00 per share and thereafter at 100% of the then-current fair market value per share. The total number of options granted will not exceed 10% of the total outstanding shares of common stock at the time of grant. To date, we have granted each of our independent directors options to purchase 9,000 shares of common stock. Such options have an exercise price equal to \$10.00 per share and vest after two years from the date of grant.	Pursuant to our restricted share plan adopted in January 2010, each independent director will receive an automatic grant of 3,000 restricted shares on the initial date of election to the board and on the date of each annual stockholders meeting. Accordingly, we granted each of our independent directors 3,000 restricted shares of common stock on the date of the 2010 annual stockholders meeting. The restricted shares vest over a five year period following the first anniversary of the May 17, 2010 grant date in increments of 20% per annum.

(1) If there is a board meeting and one or more committee meetings in one day, the director's fees shall not exceed \$2,500 (\$3,000 for the chairperson of the audit committee if there is a meeting of such committee).

(2) An independent director who is also an audit committee chairperson will receive an additional \$500 for personal attendance of all audit committee meetings.

The following language replaces the disclosure under the heading "Management - The Advisor" on page 60 of the Prospectus.

Our advisor is American Realty Capital Advisors, LLC. Our officers and two of our directors also are officers, key personnel and/or members of American Realty Capital Advisors, LLC. American Realty Capital Advisors, LLC has contractual responsibility to us and our stockholders pursuant to the advisory agreement. American Realty Capital Advisors, LLC is indirectly wholly-owned and controlled by Messrs. Schorsch and Kahane and certain other executives.

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The officers and key personnel of our advisor are as follows:

Name	Age	Position(s)
Nicholas S. Schorsch	50	Chief Executive Officer
William M. Kahane	62	President, Chief Operating Officer and Treasurer
Peter M. Budko	51	Executive Vice President and Chief Investment Officer
Brian S. Block	39	Executive Vice President and Chief Financial Officer
Edward M. Weil, Jr.	44	Executive Vice President and Secretary
Louisa Quarto	43	Senior Vice President

The backgrounds of Messrs. Schorsch, Kahane, Budko, Block and Weil are described in the Management Executive Officers and Directors section of this prospectus. The background of Ms Quarto is described in the Management Affiliated Companies Dealer Manager section of this prospectus.

Affiliates of our advisor have sponsored and may sponsor one or more other real estate investment programs in the future. For a description of some of the risks related to these conflicts of interest, see the section of this prospectus captioned Risk Factors Risks Related to Conflicts of Interest.

The officers and key personnel of American Realty Capital Advisors, LLC may spend a portion of their time on activities unrelated to us. Each of the officers and key personnel, including Messrs. Schorsch and Kahane, is currently expected to spend a significant portion of their time on our behalf but may not always spend a majority of their time on our behalf.

In addition to the key personnel listed above, American Realty Capital Advisors, LLC employs personnel who have extensive experience in selecting and managing commercial properties similar to the properties sought to be acquired by us. As of the date of this prospectus our advisor is the sole limited partner of American Realty Capital Operating Partnership, L.P.

The following language replaces the first four paragraphs under the heading Management Affiliated Companies Dealer Manager beginning on page 64 of the Prospectus.

Realty Capital Securities, LLC (CRD #145454), our dealer manager, is a member firm of FINRA. Our dealer manager was organized on August 29, 2007 for the purpose of participating in and facilitating the distribution of securities of real estate programs sponsored by American Realty Capital, its affiliates and its predecessors.

Our dealer manager provides certain wholesaling, sales, promotional and marketing assistance services to us in connection with the distribution of the shares offered pursuant to this prospectus. It also may sell a limited number of shares at the retail level. The compensation we will pay to our dealer manager in connection with this offering is described in the section of this prospectus captioned Management Compensation. See also Plan of Distribution Dealer Manager and Compensation We Will Pay for the Sale of Our Shares. Our dealer manager also serves as dealer manager for Recovery REIT, PEARC, ARC RCA, ARC HT, ARCT II, ARC Northcliffe, ARCT III, United Development Funding IV and ARCP.

Our dealer manager is a wholly owned subsidiary of American Realty Capital II, LLC. Accordingly, our dealer manager is indirectly majority-owned and controlled by Messrs. Schorsch and Kahane. Our dealer manager is an affiliate of both our advisor and the property manager. See the section entitled Conflicts of Interest in this prospectus.

The current officers of Realty Capital Securities, LLC are:

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Name	Age	Position(s)
Edward M. Weil, Jr.	43	Chief Executive Officer
Louisa Quarto	43	President
Kamal Jafarnia	44	Executive Vice President and Chief Compliance Officer
Alex MacGillivray	49	Senior Vice President and National Sales Manager

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The background of Mr. Weil is described in the Management Executive Officers and Directors section of this prospectus and the backgrounds of Ms. Quarto and Messrs. Jafarnia and MacGillivray are described below:

Management Compensation

The following language replaces the disclosure under the heading *Management Compensation* on pages 69-76 of the Prospectus.

We have no paid employees. American Realty Capital Advisors, LLC, our advisor, and its affiliates manages our day-to-day affairs. The following table summarizes all of the compensation and fees we pay to American Realty Capital Advisors, LLC and its affiliates, including amounts to reimburse their costs in providing services. The selling commissions may vary for different categories of purchasers. See Plan of Distribution. This table assumes the shares are sold through distribution channels associated with the highest possible selling commissions and dealer manager fee. No effect is given to any shares sold through our distribution reinvestment plan.

Type of Compensation ⁽¹⁾	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares) ⁽²⁾
	Offering Stage	
Selling Commissions Realty Capital Securities, LLC ⁽³⁾	We will pay to Realty Capital Securities, LLC 7% of the gross offering proceeds before reallowance of commissions earned by participating broker-dealers, except that no selling commission is payable on shares sold under our distribution reinvestment plan. Realty Capital Securities, LLC, our dealer manager, will reallow 100% of commissions earned to participating broker-dealers.	\$43,817,000/\$105,000,000
Dealer Manager Fee Realty Capital Securities, LLC ⁽³⁾	We will pay to Realty Capital Securities, LLC 3% of the gross offering proceeds before reallowance to participating broker-dealers, except that no dealer manager fee is payable on shares sold under our distribution reinvestment plan. Realty Capital Securities, LLC may reallow all or a portion of its dealer manager fee to participating broker-dealers. See Plan of Distribution.	\$21,478,000/\$45,000,000
Reimbursement of Other Organization and Offering Expenses American Realty Capital Advisors, LLC ⁽⁴⁾	We will reimburse American Realty Capital Advisors, LLC up to 1.5% of our gross offering proceeds. American Realty Capital Advisors, LLC will incur or pay our organization and offering expenses (excluding selling commissions and the dealer manager fee). We will then reimburse American Realty	\$21,392,000/\$22,500,000

Capital Advisors, LLC for these amounts up to
1.5% of aggregate gross offering proceeds.

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Type of Compensation ⁽¹⁾	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares) ⁽²⁾
<i>Acquisition and Operations Stage</i>		
Acquisition Fees American Realty Capital Advisors, LLC ⁽⁵⁾⁽⁶⁾	We will pay to American Realty Capital Advisors, LLC 1% of the contract purchase price of each property or asset. We will reimburse our advisor for acquisition expenses (including, personnel costs) incurred in the process of acquiring property. We expect these expenses to be approximately 0.5% of the purchase price of each property ⁽⁸⁾ . In no event will the total of all fees and acquisition expenses payable with respect to a particular property or investment exceed 4% of the contract purchase price.	\$10,127,000/\$13,275,000
Acquisition Expenses American Realty Capital Advisors, LLC ⁽⁷⁾	We will pay to American Realty Capital Advisors, LLC a yearly fee equal to 1% of the contract purchase price of all the properties payable semiannually based on assets held by us on the measurement date, adjusted for appropriate closing dates for individual property acquisitions.	\$5,813,000/\$6,000,000
Asset Management Fee American Realty Capital Advisors, LLC ⁽¹¹⁾	For as long as the Company remains a non-traded REIT, the aggregate value of the asset management fees paid by the Company over the life of the offering plus the value of all restricted shares issued by the Company pursuant to its employee and director incentive restricted share plan cannot exceed 1% of the contract purchase price of all the properties based on assets held by the Company on the measurement date, adjusted for appropriate closing dates for individual property acquisitions. For purposes of this calculation, the value of the restricted stock granted to the advisor and its employees will be the value of the Company's common stock, par value \$0.01 per share, on the date of such grant.	Actual amounts are dependent upon the aggregate asset value of our properties and, therefore, cannot be determined at the present time. Because the fee is based on a fixed percentage of aggregate asset value there is no limit on the aggregate amount of these fees.

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Type of Compensation ⁽¹⁾	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares) ⁽²⁾
Property Management Fees American Realty Capital Properties, LLC ⁽¹²⁾⁽¹⁸⁾	We will pay to American Realty Capital Properties, LLC (a) 2% of the gross revenues from our single tenant properties and (b) 4% of the gross revenues from our multi-tenant properties, plus reimbursement of American Realty Capital Properties, LLC costs of managing the properties. In the event that American Realty Capital Properties, LLC assists a tenant with tenant improvements, a separate fee may be charged to, and payable by, us. This fee will not exceed 5% of the cost of the tenant improvements	Actual amounts are dependent upon the gross revenues from properties and, therefore, cannot be determined at the present time. Because the fee is based on a fixed percentage of the gross revenue and/or market rates, there is no limit on the aggregate amount of these fees.
Leasing Commissions American Realty Capital Properties, LLC ⁽¹³⁾⁽¹⁸⁾	We will pay to American Realty Capital Properties, LLC prevailing market rates. American Realty Capital Properties, LLC may also receive a fee for the initial leasing of newly constructed properties, which generally would equal one month rent.	Actual amounts are dependent upon prevailing market rates in the geographic regions in which we acquire property and, therefore, cannot be determined at the present time. There is no limit on the aggregate amount of these commissions.
Financing Coordination Fee American Realty Capital Advisors, LLC ⁽⁷⁾	For services in connection with the origination or refinancing of any debt financing we obtain and use to acquire properties or to make other permitted investments, or that is assumed, directly or indirectly, in connection with the acquisition of properties, we will pay our advisor a financing coordination fee equal to 1% of the amount available and/or outstanding under such financing; provided, however, that our advisor will not be entitled to a financing coordination fee in connection with the refinancing of any loan secured by any particular property that was previously subject to a refinancing in which our advisor received such a fee. Financing coordination fees payable from loan proceeds from permanent financing will be paid to our advisor as we acquire	\$5,195,000/Because the fee is based on a fixed percentage of any debt financing, there is no limit on the aggregate amount of these fees.

and/or assume such permanent financing. However, no acquisition fees will be paid on the investments of loan proceeds from any line of credit until such time as we have invested all net offering proceeds.

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Type of Compensation ⁽¹⁾	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares) ⁽²⁾
Restricted Stock Awards	<p>We have established an employee and director incentive restricted share plan pursuant to which our directors, officers and employees (if we ever have employees), employees of our advisor and its affiliates, employees of entities that provide services to us, directors of our advisor or of entities that provide services to us, certain of our consultants and certain consultants to our advisor and its affiliates or entities that provide services to us may be granted incentive awards in the form of restricted stock. For as long as the Company remains a non-traded REIT, the aggregate value of the asset management fees paid by the Company over the life of the offering plus the value of all restricted shares issued by the Company pursuant to its employee and director incentive restricted share plan cannot exceed 1% of the contract purchase price of all the properties based on assets held by the Company on the measurement date, adjusted for appropriate closing dates for individual property acquisitions. For purposes of this calculation, the value of the restricted stock granted to the advisor and its employees will be the value of the Company's common stock, par value \$0.01 per share, on the date of such grant.</p>	<p>The total number of common shares reserved for issuance under the employee and director incentive restricted share plan is equal to 1.0% of our authorized shares.</p>

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Type of Compensation ⁽¹⁾	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares) ⁽²⁾
Compensation and Restricted Stock Awards to Independent Directors	<p>On September 13, 2010, our advisor granted 934,159 restricted shares of common stock to Nicholas S. Schorsch, chief executive officer of our advisor, 212,370 restricted shares of common stock to William M. Kahane, president and chief operations officer of our advisor, 160,604 restricted shares of common stock to Peter M. Budko, executive vice president chief investment officer of our advisor, 55,270 restricted shares of common stock to Edward M. Weil, Jr., executive vice president and secretary of our advisor and 37,597 restricted shares of common stock to Brian S. Block, executive vice president and chief financial officer of our advisor. Fifty percent of the restricted shares vest over a four year period commencing with the one year anniversary of the September 13, 2010 grant date and 50% vest only to the extent our net asset value plus the distributions paid to stockholders equals 106% of the original selling price of our common stock.</p> <p>We pay to each of our independent directors a retainer of \$30,000 per year, plus \$2,000 for each board or board committee meeting the director attends in person (\$2,500 for attendance by the chairperson of the audit committee at each meeting of the audit committee) and \$1,500 for each meeting the director attends by telephone and \$750 per transaction reviewed and voted upon via electronic board meeting up to a maximum of \$2,250 for three or more transactions reviewed and voted upon per meeting. If there is a meeting of the board and one or more committees in a single day, the fees will be limited to \$2,500 per day (\$3,000 for the chairperson of the audit committee if</p>	<p>The independent directors, as a group, will receive for a full fiscal year: (i) estimated aggregate compensation of approximately \$120,000 and (ii) 9,000 restricted shares of common stock.</p>

there is a meeting of such
committee).⁽⁸⁾⁽⁹⁾

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Type of Compensation ⁽¹⁾	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares) ⁽²⁾
Operating Expenses American Realty Capital Advisors, LLC ⁽¹³⁾	<p>We will reimburse the expenses incurred by American Realty Capital Advisors, LLC in connection with its provision of administrative services, including related personnel costs, subject to the limitation that we will not reimburse our advisor for any amount by which the operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (a) 2% of average invested assets, or (b) 25% of net income other than any additions to reserves for depreciation, bad debt or other similar non-cash reserves and excluding any gain from the sale of assets for that period.</p> <p><i>Liquidation/Listing Stage</i> For substantial assistance in connection with the sale of properties, we will pay our advisor or its affiliates a brokerage commission paid on the sale of property, not to exceed the lesser of one-half of reasonable customary and competitive real estate commission or 3% of the contract price of each property sold (inclusive of commissions paid to third party brokers); provided, however, in no event may the real estate commissions paid to our advisor, its affiliates and unaffiliated third parties exceed 6% of the contract sales price.</p>	Actual amounts are dependent upon the expenses incurred and, therefore, cannot be determined at the present time.
Real Estate Commissions American Realty Capital Advisors, LLC or its Affiliates ⁽¹⁴⁾	<p>After investors have received a return of their capital contributions invested and a 6% annual cumulative, non-compounded return, then American Realty Capital II, LLC is entitled to receive 15% of remaining net sale proceeds. We cannot assure you that we will provide this 6% return, which we have disclosed solely as a measure for our advisor's and its affiliates incentive compensation.</p>	Actual amounts are dependent upon the contract price of properties sold and, therefore, cannot be determined at the present time. Because the commission is based on a fixed percentage of the contract price for a sold property, there is no limit on the aggregate amount of these commissions.
Subordinated Participation in Net Sale Proceeds American Realty Capital II, LLC ⁽¹⁶⁾⁽¹⁷⁾⁽¹⁹⁾		Actual amounts are dependent upon results of operations and, therefore, cannot be determined at the present time. There is no limit on the aggregate amount of these payments

American Realty Capital II, LLC will not be entitled to the Subordinated Participation in Net Sale Proceeds unless our investors have received a 6% cumulative non-compounded return on their capital contributions.

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Type of Compensation ⁽¹⁾	Determination of Amount	Amount for 74,854,000 shares sold as of February 28, 2011/ Maximum Offering (150,000,000 shares) ⁽²⁾
Subordinated Incentive Listing Fee American Realty Capital II, LLC ⁽¹⁵⁾⁽¹⁶⁾⁽¹⁷⁾⁽¹⁹⁾	<p>Upon listing our common stock on the New York Stock Exchange or NASDAQ Stock Market, our advisor is entitled to a fee equal to 15% of the amount, if any, by which (a) the market value of our outstanding stock plus distributions paid by us prior to listing, exceeds (b) the sum of the total amount of capital raised from investors and the amount of cash flow necessary to generate an 6% annual cumulative, non-compounded return to investors.</p> <p>We have no intent to list our shares at this time. We cannot assure you that we will provide this 6% return, which we have disclosed solely as a measure for our advisor s and its affiliates incentive compensation.</p> <p>American Realty Capital II, LLC will not be entitled to the Subordinated Incentive Listing Fee unless our investors have received a 6% cumulative non-compounded return on their capital contributions</p>	<p>Actual amounts are dependent upon total equity and debt capital we raise and results of operations and, therefore, cannot be determined at the present time. There is no limit on the aggregate amount of this fee.</p>

(1) We will pay all fees, commissions and expenses in cash, other than the subordinated participation in net sales proceeds and incentive listing fees with respect to which we may pay to American Realty Capital Advisors, LLC in cash, common stock, a promissory note or any combination of the foregoing, as we may determine in our discretion.

(2) The estimated maximum dollar amounts are based on the sale of a maximum of 150,000,000 shares to the public at \$10.00 per share and the sale of 25,000,000 shares at \$9.50 per share pursuant to our distribution reinvestment plan. The dollar amount as of February 28, 2011 is based upon our sale of 74,854,000 shares to the public as of such date at a price of \$10.00 per share. No effect is given to the 25,000,000 shares offered pursuant to our distribution reinvestment plan at \$9.50 per share.

(3) Selling commissions and, in some cases, the dealer manager fee, will not be charged with regard to shares sold to or for the account of certain categories of purchasers. See Plan of Distribution. Selling commissions and the dealer manager fee will not be charged with regard to shares purchased pursuant to our distribution reinvestment plan.

(4) These organization and offering expenses include all expenses (other than selling commissions and the dealer manager fee) to be paid by us in connection with the offering, including our legal, accounting, printing, mailing and filing fees, charges of our escrow holder, due diligence expense reimbursements to participating broker-dealers and amounts to reimburse American Realty Capital Advisors, LLC for its portion of the salaries of the employees of its affiliates who provide services to our advisor and other costs in connection with administrative oversight of the offering and marketing process and preparing supplemental sales materials, holding educational conferences

and attending retail seminars conducted by broker-dealers. Our advisor will be responsible for the payment of all such organization and offering expenses to the extent such expenses exceed 1.5% of the aggregate gross proceeds of this offering.

(5) This estimate assumes the amount of proceeds available for investment is equal to the gross offering proceeds less the public offering expenses, and we have assumed that no financing is used to acquire properties or other real estate assets. Our board's investment policies limit our ability to purchase property if the total of all acquisition fees and expenses relating to the purchase exceeds 4% of the

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contract purchase price unless a majority of our directors (including a majority of our independent directors) not otherwise interested in the transaction approve fees and expenses in excess of this limit and determine the transaction to be commercially competitive, fair and reasonable to us.

Included in the computation of such fees will be any real estate commission, acquisition and advisory fee, development fee, construction fee, non-recurring management fee, loan fees, financing coordination fees or points (6) or any fee of a similar nature, which in the aggregate will not exceed 6% of the sale price of such property or properties.

Actual gross amounts determined on a leveraged basis are dependent upon the aggregate purchase price of our (7) properties and, therefore, cannot be determined at the present time.

An independent director who is also an audit committee chairperson will receive an additional \$500 for personal (8) attendance of all audit committee meetings.

If there is a board meeting and one or more committee meetings in one day, the director's fees shall not exceed (9) \$2,500 (\$3,000 for the chairperson of the audit committee if there is a meeting of such committee).

Based on the Sponsors' experience with the acquisitions completed by American Financial Realty Trust and our (10) acquisitions completed to date, acquisition expenses are generally 0.5% of the purchase price of each property.

Aggregate asset value will be equal to the aggregate value of our assets (other than investments in bank accounts, money markets funds or other current assets) at cost before deducting depreciation, bad debts or other similar non-cash reserves and without reduction for any debt relating to such assets at the date of measurement, except that during such periods in which our board of directors is determining on a regular basis the current value of our (11) net assets for purposes of enabling fiduciaries of employee benefit plans stockholders to comply with applicable Department of Labor reporting requirements, aggregate asset value is the greater of (a) the amount determined pursuant to the foregoing or (b) our assets' aggregate valuation most recently established by our board without reduction for depreciation, bad debts or other similar non-cash reserves and without reduction for any debt secured by or relating to such assets.

The property management and leasing fees payable to American Realty Capital Properties, LLC are subject to the limitation that the aggregate of all property management and leasing fees paid to American Realty Capital Properties, LLC and its affiliates plus all payments to third parties for property management and leasing services may not exceed the amount that other non-affiliated property management and leasing companies generally (12) charge for similar services in the same geographic location. Additionally, all property management and leasing fees, including both those paid to American Realty Capital Properties, LLC and third parties, are subject to the limit on total operating expenses as described on the following two pages. American Realty Capital Properties, LLC may subcontract its duties for a fee that may be less than the fee provided for in our property management agreement with American Realty Capital Properties, LLC.

We may reimburse our advisor in excess of that limit in the event that a majority of our independent directors determine, based on unusual and non-recurring factors, that a higher level of expense is justified. In such an event, we will send notice to each of our stockholders within 60 days after the end of the fiscal quarter for which such determination was made, along with an explanation of the factors our independent directors considered in making (13) such determination. We will not reimburse our advisor for personnel costs in connection with services for which the advisor receives acquisition fees or real estate commissions. We lease a portion of our office space from an affiliate of our advisor and share the space with other American Realty Capital-related entities. The amount we will pay under the lease will be determined on a monthly basis based upon on the allocation of the overall lease cost to the approximate percentage of time, size of the area that we utilize and other resources allocated to us.

Although we are most likely to pay real estate commissions to American Realty Capital Advisors, LLC or an (14) affiliate in the event of our liquidation, these fees may also be earned during our operational stage.

Upon termination of the Advisory Agreement, American Realty Capital II, LLC may be entitled to a similar performance fee if American Realty Capital II, LLC would have been entitled to a subordinated participation in net sale proceeds had the portfolio been liquidated (based on an independent appraised value of the portfolio) on the date of termination. Under our charter, we could not increase these success-based fees without the approval of (15)

a majority of our independent directors, and any increase in the subordinated participation in net sale proceeds would have to be reasonable. Our charter provides that such incentive fee is presumptively reasonable if it does not exceed 15% of the balance of such net

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proceeds remaining after investors have received a return of their net capital contributions and an 6% per year cumulative, non-compounded return.

If at any time the shares become listed on the New York Stock Exchange or NASDAQ Stock Market, we will negotiate in good faith with American Realty Capital II, LLC a fee structure appropriate for an entity with a perpetual life. Our independent directors must approve the new fee structure negotiated with American Realty Capital II, LLC. The market value of our outstanding stock will be calculated based on the average market value of the shares issued and outstanding at listing over the 30 trading days beginning 180 days after the shares are first listed or included for quotation. We have the option to pay the subordinated incentive listing fee in the form of stock, cash, a promissory note or any combination thereof. In the event the subordinated incentive listing fee is earned by American Realty Capital II, LLC as a result of the listing of the shares, any previous payments of the subordinated participation in net sale proceeds will offset the amounts due pursuant to the subordinated incentive listing fee, and we will not be required to pay American Realty Capital Advisors, LLC any further subordinated participation in net sale proceeds. As agreed with the Ohio Division of Securities in connection with the qualification of the offering in that state, the Advisor and the Company have agreed that any subordinated listing fee or termination payments due to the Advisor will only be paid when assets acquired during the period that the Advisor was entitled to such payments are sold or refinanced. The payment of such subordinated listing fee or termination fee will be paid by the issuance of a non-interest bearing, non-transferable promissory note in the amount of such fee. The note will be payable as the subject assets are sold or refinanced. In the event that the note is not paid in full in three years after issuance and the Company is listed, the note is convertible at the option of the Advisor into shares of the Company's common stock.

Our charter and the Partnership Agreement of American Realty Capital Operating Partnership, L.P. provide that before any subordinated participation in net sales proceeds or subordinated incentive listing fee is paid to American Realty Capital II, LLC, the shareholders of our stock have to receive a 6% cumulative non-compounded return on their original purchase price for their shares.

All fees and commissions under the Property Management Agreement will be no less favorable than fees and commissions from transactions with unaffiliated third parties performing property management for double and triple net leases.

On June 2, 2010, we and American Realty Capital Operating Partnership, L.P. entered into an amended and restated advisory agreement with American Realty Capital Advisors, LLC which amended the advisory agreement to provide that in the event our Board of Directors decides to internalize any management services provided by American Realty Capital Advisors, LLC, neither we nor American Realty Capital Operating Partnership, L.P. will pay any compensation to American Realty Capital Advisors, LLC or its affiliates in connection with the internalization transaction.

American Realty Capital II, LLC cannot earn both the subordinated participation in net sale proceeds and the subordinated incentive listing fee. The subordinated participation in net sale proceeds or the subordinated listing fee, as the case may be, will be paid in the form of a non-interest bearing promissory note that will be repaid from the net sale proceeds of each sale after the date of the termination or listing. At the time of such sale, we may, however, at our discretion, pay all or a portion of such promissory note with shares of our common stock or cash. If shares are used for payment, we do not anticipate that they will be registered under the Securities Act and, therefore, will be subject to restrictions on transferability.

Any portion of the subordinated participation in net sale proceeds that American Realty Capital II, LLC receives prior to our listing will offset the amount otherwise due pursuant to the subordinated incentive listing fee. In no event will the amount paid to American Realty Capital II, LLC under the promissory note, if any, exceed the amount considered presumptively reasonable by the NASAA REIT Guidelines.

As agreed with the Ohio Division of Securities in connection with the qualification of the offering in that state, the Advisor and the Company have agreed that any subordinated listing fee or termination payments due to the Advisor

will only be paid when assets acquired during the period that the Advisor was entitled to such payments are sold or refinanced. The payment of such subordinated listing fee or termination fee will be paid by the issuance of a non-interest bearing, non-transferable promissory note in the amount of such fee. The note will be payable as the subject assets are sold or refinanced. In the event that the note is not paid in full in three years after issuance and the Company is listed, the note is convertible at the option of the Advisor into shares of the Company's common stock.

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At least a majority of our independent directors must determine, from time to time but at least annually, that our total fees and expenses are reasonable in light of our investment performance, net assets, net income and the fees and expenses of other comparable unaffiliated REITs. Each such determination will be reflected in the minutes of our board of directors. The total operating expenses (as defined in the NASAA REIT Guidelines) of the company will not exceed, in any fiscal year, the greater of 2% of the Average Invested Assets (as defined in the NASAA REIT Guidelines) or 25% of Net Income (as defined in the NASAA REIT Guidelines), unless our independent directors find that, based on unusual and non-recurring factors, a higher level of expense is justified for that year. Our independent directors shall also supervise the performance of our advisor and the compensation that we pay to it to determine that the provisions of our advisory agreement are being carried out.

Each such determination will be recorded in the minutes of our board of directors and based on the factors set forth below and other factors that the independent directors deem relevant:

- the size of the advisory fee in relation to the size, composition and profitability of our portfolio;
- the success of American Realty Capital Advisors, LLC in generating opportunities that meet our investment objectives;
- the rates charged to other REITs, especially similarly structured REITs, and to investors other than REITs by advisors performing similar services;
- additional revenues realized by American Realty Capital Advisors, LLC through its relationship with us;
- the quality and extent of service and advice furnished by American Realty Capital Advisors, LLC;
- the performance of our investment portfolio, including income, conservation or appreciation of capital, frequency of problem investments and competence in dealing with distress situations; and
- the quality of our portfolio in relationship to the investments generated by American Realty Capital Advisors, LLC for the account of other clients.

Since American Realty Capital Advisors, LLC and its affiliates are entitled to differing levels of compensation for undertaking different transactions on our behalf, such as the property management fees for operating our properties and the subordinated participation in net sale proceeds, our advisor has the ability to affect the nature of the compensation it receives by undertaking different transactions. However, American Realty Capital Advisors, LLC is obligated to exercise good faith and integrity in all its dealings with respect to our affairs pursuant to the advisory agreement. See Management The Advisory Agreement.

Conflicts of Interest

The following language replaces the introductory disclosure under the heading Conflicts of Interest on page 79 of the Prospectus.

We are subject to various conflicts of interest arising out of our relationship with our advisor and its affiliates, including conflicts related to the arrangements pursuant to which our advisor and its affiliates will be compensated by us. Our agreements and compensation arrangements with our advisor and its affiliates were not determined by arm's-length negotiations. See the section entitled Management Compensation in this prospectus. Some of the conflicts of interest in our transactions with our advisor and its affiliates, and the limitations on our advisor and its affiliates adopted to address these conflicts, are described below.

Affiliates of our advisor have sponsored and may sponsor one or more other real estate investment programs in the future, including American Realty Capital New York Recovery REIT, Inc., or Recovery REIT, Phillips Edison ARC Shopping Center REIT, Inc., or PEARC, American Realty Capital Healthcare Trust, Inc., or ARC HT, American Realty Capital Retail Centers of America, Inc., or ARC RCA, American Realty Capital Trust II, Inc., or ARCT II,

ARC Northcliffe Income Properties, Inc., or ARC Northcliffe, American Realty Capital Trust III, Inc., or ARCT III, and American Realty Capital Properties, Inc., or ARCP. For additional information on each of these programs, please see the section entitled Prior Performance Summary elsewhere in this prospectus. Recovery REIT filed its initial registration statement with the SEC on November 12, 2009, which became effective on September 2, 2010. As of March 31, 2011, Recovery REIT

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had received aggregate gross offering proceeds of approximately \$17.0 million from the sale of approximately 2.0 million shares from a private offering to accredited investors (as defined in Regulation D as promulgated under the Securities Act). As of March 31, 2011, Recovery REIT had received aggregate gross proceeds of approximately \$8.4 million from the sale of 0.8 million shares in its public offering. As of March 31, 2011, Recovery REIT had acquired six commercial properties which are 100% leased. As of March 31, 2011, Recovery REIT had total real estate investments, at cost, of approximately \$66.3 million. PEARC filed its initial registration statement with the SEC on January 13, 2010 and became effective on August 12, 2010. As of March 31, 2011, PEARC had received aggregate gross offering proceeds of \$10.3 million from the sale of 1.1 million shares in its public offering. As of March 31, 2011, PEARC had acquired two shopping centers for a purchase price of \$20.0 million. ARC HT filed its initial registration statement with the SEC on August 27, 2010 and became effective on February 18, 2011. As of March 31, 2011, ARC HT had not raised any money in connection with the sale of its common stock nor had it acquired any properties. ARC RCA filed its initial registration statement with the SEC on September 13, 2010, which became effective on March 17, 2011. As of March 31, 2011, ARC RCA had not raised any money nor had it acquired any investments. ARCT II filed its initial registration statement with the SEC on October 8, 2010, which has yet to become effective. As of March 31, 2011, ARCT II had not raised any money nor acquired had it any investments. ARC Northcliffe filed its initial registration statement with the SEC on October 12, 2010, which has yet to become effective. As of March 31, 2011, ARC Northcliffe had not raised any money nor had it acquired any investments. ARCT III filed its initial registration statement with the SEC on November 2, 2010, which became effective on March 31, 2011. As of March 31, 2011, ARCT III had not raised any money nor had it acquired any investments. ARCP filed its initial registration statement with the SEC on February 11, 2011. As of March 31, 2011, ARCP had not raised any money nor had it acquired any investments.

None of the investment objectives of these affiliated programs are similar to our investment objectives, which aim to acquire high quality income-producing commercial real estate located in the New York MSA, and in particular, New York City, with a focus on office and retail properties.

The officers and key personnel of our advisor are expected to spend a substantial portion of their time on activities unrelated to us, which may significantly reduce the amount of time to be spent by such officers and key personnel on activities related to us. Each of the officers and key personnel, including Messrs. Schorsch and Kahane, is currently expected to spend a portion of their time on our behalf. In addition to the key personnel listed above, our advisor employs personnel who have extensive experience in managing REITs similar to us and selecting and managing commercial properties similar to the properties sought to be acquired by us. Based on our sponsor's experience in sponsoring Recovery REIT, PEARC and us, all of which are non-traded REITs that are in their operational stage, a significantly greater time commitment is required of senior management during the development stage when the REIT is being organized, funds are initially being raised and funds are initially being invested, and less time is required as additional funds are raised and the offering matures. We refer to the development stage of a REIT as the time period from the inception of the REIT until it raises a sufficient amount of funds to break escrow under its registration statement.

In addition, certain of our executive officers, Messrs. Schorsch and Kahane, also are officers of our advisor, our property manager, our dealer manager and other affiliated entities, including the advisor and property manager of other REITs sponsored by the American Realty Capital group of companies, many of which are in the development stage.

The management of multiple REITs, especially REITs in the development stage, may significantly reduce the amount of time our executive officers are able to spend on activities related to us. Additionally, as described below, given that five of the American Realty Capital-sponsored REITs have registration statements that are not yet effective and are in the development phase, and three of the American Realty Capital-sponsored REITs have registration statements that

became effective in the past six months, including us, in which our executive officers are involved, and will have concurrent and/or overlapping fundraising, acquisition, operational and disposition and liquidation phases, conflicts of interest related to these REITs will arise throughout the life of our company with respect to, among other things, finding investors, locating and acquiring properties, entering into leases and disposing of properties. The conflicts of interest each of our

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executive officers and each officer of our advisor will face may delay our fund raising and investment of our proceeds due to the competing time demands.

These individuals also owe fiduciary duties to these other entities and their stockholders and limited partners, which fiduciary duties may conflict with the duties that they owe to us and our stockholders. Their loyalties to these other entities could result in actions or inactions that are detrimental to our business, which could harm the implementation of our business strategy and our investment and leasing opportunities. Conflicts with our business and interests are most likely to arise from involvement in activities related to (a) allocation of new investments and management time and services between us and the other entities, (b) our purchase of properties from, or sale of properties to, affiliated entities, (c) the timing and terms of the investment in or sale of an asset, (d) development of our properties by affiliates, (e) investments with affiliates of our advisor, (f) compensation to our advisor, and (g) our relationship with our dealer manager and property manager. If we do not successfully implement our business strategy, we may be unable to generate cash needed to make distributions to you and to maintain or increase the value of our assets. If these individuals act or fail to act in a manner that is detrimental to our business or favor one entity over another, they may be subject to liability for breach of fiduciary duty.

Although certain of our executive officers face conflicts of interest as a result of the foregoing, the following factors tend to ameliorate the effect of the resulting potential conflicts of interest. Our fundraising, including finding investors, will be handled principally by our dealer manager, with our executive officers' participation limited to participation in sales seminars. As described below, our dealer manager has a sales team that includes 90 professionals, as well as a wholesaling team for each offering dedicated to that offering, which it believes is adequate and structured in a manner to handle sales for all of the offerings for which it is the dealer manager. Some of the American Realty Capital-sponsored REITs have sub-advisors or dedicated management teams who have primary responsibility for investment activities of the REIT, which may mitigate some of these conflicts of interest. Five senior members, all of which are our executive officers, collectively indirectly own interests in the dealer manager and the sponsors or co-sponsors of the American Realty Capital-sponsored investment programs. Controlling interests in the dealer manager and the sponsors or co-sponsors of the American Realty Capital-sponsored investment programs are owned by Nicholas S. Schorsch and William M. Kahane. See the organizational chart in this section below. These members share responsibility for overseeing key management functions, including general management, investing, asset management, financial reporting, legal and accounting activities, marketing strategy and investor relations. This bench of senior members provides depth of management and is designed with succession planning in mind. Nonetheless, the competing time commitments resulting from managing multiple development stage REITs may impact our investment activities and our executive officers' ability to oversee these activities.

We will compete for investors with other American Realty Capital-sponsored programs, which offerings will be ongoing during a significant portion of our offering period. The overlap of these offerings with our offering could adversely affect our ability to raise all the capital we seek in this offering, the timing of sales of our shares and the amount of proceeds we have to spend on real estate investments.

We may buy properties at the same time as one or more of the other American Realty Capital-sponsored programs managed by officers and key personnel of our advisor. As a result, they owe duties to each of these entities, their members and limited partners and these investors and others to whom they provide services, which duties may from time to time conflict with the fiduciary duties that they owe to us and our stockholders. However, to the extent that our advisor or its affiliates take actions that are more favorable to other entities than to us, these actions could have a negative impact on our financial performance and, consequently, on distributions to you and the value of our stock. In addition, our directors, officers and certain of our stockholders may engage for their own account in business activities of the types conducted or to be conducted by our subsidiaries and us. For a discussion of the restrictions included in our charter relating to limits placed upon our directors, officers and certain of our stockholders, see the section of this

prospectus captioned Certain Conflict Resolution Procedures. In addition, for a description of some of the risks related to these conflicts of interest, see the section of this prospectus captioned Risk Factors Risks Related to Conflicts of Interest.

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Our independent directors have an obligation to function on our behalf in all situations in which a conflict of interest may arise, and all of our directors have a fiduciary obligation to act on behalf of our stockholders.

The following disclosure is to be added to the section of the Prospectus entitled Conflicts of Interest on page 79 of the Prospectus.

Investment Rights and Obligations.

Our ability to make investments in our target assets is governed by an investment opportunity allocation agreement with ARCT II, ARCT III and us (ARC Funds). Pursuant to the investment opportunity allocation provisions applicable to the ARC Funds, if our Advisor determines that a target asset is appropriate for acquisition by us and one or more ARC Funds, it will present such investment opportunity to our board of directors and the board of directors (or the equivalent) of such ARC Funds. If a majority of our board of directors, including a majority of our independent directors, and a majority of the board of directors (or the equivalent), including a majority of the independent directors (if applicable), of one or more ARC Funds vote to acquire the target property, then such target property will be subject to the following process: (1) if the target asset is a single property, the acquisition will be subject to rotation among the ARC Funds; (2) if the target assets are part of a portfolio, any industrial and office target assets will allocated to ARCT II and any retail target assets

ARCP s investment objective is to acquire short term net lease properties (remaining terms of 3 to 8 years) while the ARC Funds investment objectives is to acquire longer term net lease properties (remaining terms of 10 years or longer). For this reason, ARCP is not a party to the investment opportunity allocation agreement.

Affiliated Transaction Best Practices Policy

On March 17, 2011, all of the members of the Board of Directors voted to approve the Company s affiliated transaction best practice policy which provides that we may not enter into any co-investments or any other business transaction with, or provide funding or make loans to, directly or indirectly, any investment program or other entity sponsored by the American Realty Capital group of companies or otherwise controlled or sponsored, or in which ownership (other than certain minority interests) is held, directly or indirectly, by Nicholas Schorsch and/or William Kahane, that is a non-traded REIT or private investment vehicle in which ownership interests are offered through securities broker-dealers in a public or private offering. We may, however, enter into a joint investment with a Delaware statutory trust (a DST) or a group of unaffiliated tenant in common owners (TICs) in connection with a private retail securities offering by a DST or to TICs, provided that such investments are in the form of pari passu equity investments, are fully and promptly disclosed to the stockholders of the Company and are fully documented among the parties with all the rights, duties and obligations assumed by the parties as are normally attendant to such an equity investment. The Company must also retain a controlling interest in the underlying investment and the transaction must be approved by the independent directors of the Board of Directors after due and documented deliberation, including deliberation of any conflicts of interest. The Board of Directors must determine that the co-investment is fair, both financially and otherwise. In the case of such co-investment, the Advisor will be permitted to charge fees at no more than the rate corresponding to the Company s percentage co-investment and in line with the fees ordinarily attendant to such transaction. At any one time, our investment in such co-investments will not exceed 10% of the value of our portfolio.

The following disclosure is to be added to the section of the Prospectus entitled Conflicts of Interest Joint Ventures with Affiliates of American Realty Capital Advisors, LLC on page 81 of the Prospectus.

On December 1, 2010, we entered into a joint venture agreement with New York Recovery Operating Partnership, L.P. (the "Operating Partnership"), the operating partnership of American Realty Capital New York Recovery REIT, Inc. ("Recovery REIT"), an affiliate of our advisor, and an unaffiliated third party investor pursuant to which we made a \$12.0 million preferred equity investment in five retail condominiums in Manhattan, New York. The properties are located on Bleecker Street in Greenwich Village and are leased to the following five high-end fashion tenants: Marc Jacobs, Michael Kors, Burberry, Mulberry and APC. The distribution on our preferred equity investment is \$840,000 per annum. Recovery REIT may redeem our

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preferred equity interest at our capital contribution of \$12.0 million plus any accrued yield at any time. In addition, if the Operating Partnership sells its membership interest in the joint venture to a third party, it may redeem our preferred equity interest at our pro rata share of the purchase price for all interests in the joint venture based on capital contributions. The joint venture agreement does not provide us with voting rights and as such, the Recovery REIT is responsible for day-to-day control over operating decisions of the properties.

Investment Objectives and Policies

The following language replaces the paragraph entitled Investment Grade. in the section of the Prospectus entitled Investment Objectives and Policies Acquisition and Investment Policies on page 85 of the Prospectus.

Investment Grade. A tenant will be considered investment grade when the tenant has a debt rating by Moody's of Baa3 or better or a credit rating by Standard & Poor's or Fitch of BBB- or better, a credit rating by Bloomberg of B3L or better or its payments are guaranteed by a company with such rating. In cases where a tenant does not have a Standard & Poor's, Moody's, Fitch or Bloomberg rating, we will consider a tenant to be investment grade if it has received a rating of 1 or 2 by the National Association of Insurance Commissioners (NAIC) on a debt private placement or is a wholly owned subsidiary of a parent company, constituting a majority of the parent company's assets, and the parent company has a debt rating by Moody's of Baa3 or better or a credit rating by Standard & Poor's or Fitch of BBB- or better or credit rating by Bloomberg of B3L or better. NAIC 1 is assigned to obligations exhibiting the highest quality. Credit risk is at its lowest and the issuer's credit profile is stable. NAIC 2 is assigned to obligations of high quality. Credit risk is low but may increase in the intermediate future and the issuer's credit profile is reasonably stable. Changes in tenant credit ratings, coupled with future acquisition and disposition activity, may increase or decrease our concentration of investment grade tenants in the future.

The following information supplements the section of the Prospectus entitled Investment Objectives and Policies Section 1031 Exchange Program on page 102 of the Prospectus.

To date, cash payments of \$15.1 million have been accepted by the Operating Partnership.

The following information is to be added as a new paragraph in the section of the Prospectus entitled Investment Objective and Policies on page 85 of the Prospectus.

Insurance Policies

We typically purchase comprehensive liability, rental loss and all-risk property casualty insurance covering our real property investments provided by reputable companies, with commercially reasonable deductibles, limits and policy specifications customarily carried for similar properties. There are, however, certain types of losses that may be either uninsurable or not economically insurable, such as losses due to floods, riots, terrorism or acts of war. If an uninsured loss occurs, we could lose our invested capital in, and anticipated profits from, the property. For these purposes, invested capital means the original issue price paid for the shares of our common stock reduced by prior distributions from the sale or financing of our properties. See the section entitled Risk Factors General Risks Related to Investments in Real Estate in this prospectus for additional discussion regarding insurance.

The following information supplements the section of the Prospectus entitled Investment Objectives and Policies Real Property Investments on pages 105 136 of the Prospectus.

The REIT has acquired the following real estate investments through April 15, 2011:

Auto Retail

1 Advanced Auto location located in Plainfield, MI on December 30, 2009 (Advanced Auto);
3 build-to-suit retail auto parts stores for Advance Auto Parts, Inc. located in Harvest, AL, Vicksburg, MS and Crystal Springs, MS on June 4, 2010 (Advance Auto II);
3 build-to-suit retail auto parts stores for Advance Auto Parts, Inc. located in Lafayette, LA, Slidell, LA and West Monroe, LA, on July 28, 2010 (Advance Auto III);
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1 freestanding fee simple store for O Reilly Automotive, Inc. located in Joliet, IL on September 14, 2010 (O Reilly Auto);
4 free standing properties for AutoZone Inc. located in San Juan, PR, Guayama, PR, Ponce, PR and Humacoa, PR on September 30, 2010 (AutoZone);
1 build-to-suit freestanding fee simple auto parts stores for Advance Auto Parts, Inc. located in Dunkirk, NY, on November 1, 2010 (Advance Auto IV); and
1 freestanding fee simple store for O Reilly Automotive, Inc. located in Waterford, Michigan on April 15, 2011 (O Reilly II).

Auto Services

6 recently constructed Bridgestone Firestone retail stores from a developer in various locations in OK and FL on various closings in December 2009 (5 locations) and January 2010 (1 location) (BSFS); and
12 recently constructed Bridgestone Firestone auto-centers from Mays Development Company located in Albuquerque, NM, Rockwell, TX Weatherford, TX, League City, TX, Crowley, TX, Allen, TX Pearland, TX, Austin, TX, Grand Junction, CO, Benton, AR, Wichita, KS and Baton Rouge, LA on February 26, 2010 (2 locations), March 15, 2010 (4 locations) and March 31, 2010 (6 locations) (BSFS II).

Distribution

1 build-to-suit warehouse facility for Reckitt Benckiser located in Tooele, UT, near Salt Lake City on February 16, 2010 (Reckitt Benckiser).

Freight

1 FedEx Cross-Dock facility in Snowshoe, PA as its initial investment on March 5, 2008 (FedEx);
1 FedEx Freight Facility located in Houston, TX on July 8, 2009 (Fed Ex II);
1 FedEx Freight West Facility located in West Sacramento, CA on April 30, 2010 (FedEx III);
1 free standing FedEx distribution facility located in Sioux Falls, SD on September 23, 2010 (FedEx IV);
1 build-to-suit freestanding FedEx Ground distribution facility located in Grand Forks, ND on November 22, 2010 (FedEx V);
1 build-to-suit, freestanding fee simple FedEx Freight distribution facility located in Louisville, KY on December 8, 2010 (FedEx VI);
1 build-to-suit, freestanding fee simple FedEx Freight distribution facility located in Springfield, MO on December 10, 2010 (FedEx VII);
4 build-to-suit, freestanding fee simple FedEx Ground distribution facilities located in Dodge City, KS, St. Cloud, MN, Beckley, WV and Hays, KS on December 16, 2010 (FedEx VIII);
1 build-to-suit, freestanding FedEx Ground distribution facility located in Lincoln, NE on December 23, 2010 (FedEx IX); and
1 build-to-suit, freestanding FedEx Ground distribution facility located in Ann Arbor, MI on March 30, 2011 (FedEx X).

Healthcare

2 Fresenius Medical Care Distribution Facilities located in Apple Valley, CA and Shasta Lake, CA from the developer on January 29, 2010 (Fresenius);
3 freestanding, fee simple Saint Joseph s Mercy Medical medical office properties located in Hot Springs, AR on October 26, 2010 (Saint Joseph s Mercy Medical);
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1 free standing, fee simple DaVita Dialysis Center in Lincoln, NE on December 29, 2010 (DaVita Dialysis);
2 free standing, fee simple DaVita Dialysis Centers in Abbeville, SC and Shreveport, LA on February 3, 2011, 1 free standing, fee simple DaVita Dialysis Center in Okmulgee, OK on February 24, 2011 and 1 free standing DaVita Dialysis Center in Enterprise, Alabama on March 31, 2011 (DaVita Dialysis II);
1 fee simple free standing property and 1 leasehold property for Express Scripts, Inc., in St. Louis, Missouri on March 3, 2011; and
1 free standing, fee simple DaVita Dialysis Center in Wilmington, North Carolina on March 4, 2011 (DaVita Dialysis III).

Home Maintenance

a leasehold interest in a build-to-suit Home Depot Distribution Facility from the developer, located in Topeka, KS on December 11, 2009 (Home Depot);
1 land parcel with ground lease to Home Depot located in Austell, TX, on September 10, 2010 (CSAA/Home Depot); and
1 parcel of land which contains a freestanding fee simple home improvement store for Lowe's located in Knoxville, TN on January 7, 2011 (Lowe's).

Pharmacy

6 Rite Aid properties in various locations in PA and OH from affiliated parties on September 29, 2008 (Rite Aid);
a Walgreens location located in Sealy, TX on July 17, 2009 (Walgreens);
10 newly-constructed retail stores from CVS Caremark (CVS) located in 9 states IL, SC, TX, GA, MI, NY, AZ, NC and CA on September 18, 2009 and 1 land parcel and ground lease to CVS located in Chicago, IL on September 24, 2010 (CVS);
15 newly-constructed retail stores from CVS located in 11 states AL, AZ, CA, FL, GA, IN, MA, MN, MO, NC and NV on November 19, 2009 (CVS II);
1 build-to-suit freestanding pharmacy for Walgreen Co. located in Byram, MS on May 17, 2010 (Walgreens II);
1 build-to-suit freestanding pharmacy for Walgreen Co. located in LeRoy, NY on June 30, 2010 (Walgreens III);
1 build-to-suit freestanding fee simple retail store for CVS Pharmacy located in Decatur, GA on August 6, 2010 (CSAA/CVS);
5 build-to-suit freestanding fee simple pharmacies for Walgreen Co. located in Austin, TX, Chelsea, AL, Joliet, IL, Marysville, OH and Upper Arlington, OH on August 6, 2010 (CSAA/Walgreens);
1 build to suite freestanding fee simple property for Walgreen Co. located in Grand Rapids, MN on September 15, 2010 (Walgreens IV);
1 build to suite freestanding fee simple property for Walgreen Co. located in Mount Pleasant, MI on September 16, 2010 (Walgreens V);
7 build-to-suit, freestanding fee-simple Walgreens pharmacies located in Louisville, KY (3 properties). Huntington, WV, Mayfield, KY, Princeton, IN and Radcliffe, KY on December 3, 2010 (Walgreens VI);
1 freestanding, leasehold Walgreens pharmacy located in Conway, SC on December 23, 2010 (Walgreens VII);

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9 free standing, fee simple pharmacies for Walgreens at various locations in NY on January 31, 2011 (Walgreens/Tim Hortons);
1 freestanding, fee simple Walgreens pharmacy located in Martinsville, VA on February 28, 2011 (Walgreens VIII);
1 build-to-suit free standing, fee simple retail store for CVS Pharmacy located in King George, VA on February 7, 2011 (CVS III);
1 free standing fee simple CVS pharmacy in Charlotte, MI on March 24, 2011 (CVS IV);
2 freestanding, fee simple Walgreens pharmacies located in Mansfield, Ohio and Ottumwa, Iowa on March 25, 2011 (Walgreens X); and
1 build-to-suit, free standing fee simple CVS pharmacy located in Stony Point, New York on March 25, 2011 (CVS V).

Restaurant

5 recently constructed restaurants from Jack In the Box, Inc. located in Desloge, MO, The Dalles, OR, Vancouver, WA, Corpus Christi, TX and Houston, TX on February 24, 2010 (4 locations) and April 22, 2010 (1 location) (Jack in the Box);
1 build-to-suit freestanding restaurant for International House of Pancakes located in Hilton Head, SC on May 21, 2010 (IHOP);
1 build-to-suit freestanding restaurant for International House of Pancakes located in Buford, GA on June 25, 2010 (IHOP II);
1 build-to-suit freestanding restaurant for International House of Pancakes located in Cincinnati, OH on June 29, 2010 (IHOP III);
6 restaurants from Jack In the Box, Inc. located in S. Houston, TX, Victoria, TX, Beaumont, TX, Ferris, TX and Forney, TX on June 30, 2010 (Jack in the Box II);
19 build-to-suit freestanding restaurants for International House of Pancakes located in Rochester, NY, Roanoke, VA, Charlottesville, VA, Shawnee, KS, Alexandria, LA, Albuquerque, NM, Springfield, MT, Baton Rouge, LA, La Verne, CA, Memphis, TN (2 properties), El Paso, TX, Centerville, UT, Beaverton, OR, Salem, OR, Parker, CO, Sugar Land, TX and El Paso, TX (2 Properties) and Topeka, KS on September 2, 2010 (14 properties) and September 3, 2010 (4 Properties) and September 8, 2010 (1 property) (IHOP IV); and
14 build-to-suit free standing restaurants for Bojangles Restaurants, Inc. located in Alabama, Georgia, North Carolina and South Carolina on March 31, 2011.

Retail Banking

15 First Niagara (formerly Harleysville National Bank and Trust Company) bank branch properties in various PA locations on March 12, 2008 (First Niagara);
18 Rockland Trust Company bank branch properties in various MA locations on May 2, 2008 (Rockland Trust);
2 PNC Bank (formerly National City Bank branches) in FL from affiliated parties on September 16, 2008 and October 23, 2008 (PNC Bank);
50 PNC Bank, National Association bank branches in various locations in PA, NJ and OH on November 25, 2008 (PNC);
2 land parcels with ground leases to Fifth Third Bank located in Montgomery, IL and Schaumburg, IL on August 6, 2010 (CSAA/Fifth Third Bank);
2 land parcels with ground leases to Chase Manhattan Bank located in Carpentersville, IL and Northlake, IL on August 27, 2010 (CSAA/Chase Bank);
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1 freestanding, fee simple BB&T bank in Ft. Myers, FL on December 22, 2010 (BB&T);
2 Citizens Bank bank branch properties in Stickney and Oaklawn, IL on January 26, 2011 (Citizens); and
1 freestanding, fee simple Provident Bank located in Stony Point, New York on March 25, 2011 (Provident Bank).

Specialty Retail

3 build-to-suit properties from Jared the Galleria of Jewelry located in Amherst, NY, Lake Grove, NY and Watchung, NJ on May 6, 2010 (Jared Jewelry);
1 build-to-suite property from Jared the Galleria of Jewelry located in Plymouth, MA on June 29, 2010 (Jared Jewelry II);
4 build-to-suit freestanding retail properties for Tractor Supply located in DuBois, PA (on July 1, 2010), in Mansfield, PA and Elizabethville, PA (on August 12, 2010) and Lewisburg, WV (on August 27, 2010) (Tractor Supply);
2 free standing distribution facilities for Brown Shoe Company, Inc. in Lebec, CA and Payless Shoe Source in Brookville, OH on October 19, 2010 (Brown Shoe/Payless);
1 build-to-suit, freestanding fee simple Tractor Supply Company located in Mansura, LA on November 15, 2010, 1 build-to-suit, free standing fee simple Tractor Supply store located in Demopolis, Alabama on March 25, 2011 and 1 build-to-suit, free standing fee simple Tractor Supply store located in New Boston, Texas on March 24, 2011 (Tractor Supply II); and
1 build-to-suit, freestanding fee simple Tractor Supply store located in Sonora, CA on December 23, 2010 (Tractor Supply III).

Manufacturing

1 free standing, fee simple Coats & Clark distribution facility in Albany, GA on February 18, 2011 (Coats & Clark);
1 fee simple design and logistics facility for Texas Instruments, Inc. in Tucson, Arizona on March 16, 2011 (Texas Instruments); and
1 fee simple 3M Distribution Facility in DeKalb, Illinois on March 31, 2011 (3M).

Discount Retail

1 build-to-suit freestanding retail property for Dollar General located in Jacksonville, FL on July 15, 2010 (Dollar General);
1 build-to-suit, freestanding, fee-simple Dollar General property located in Hilliard, FL on December 9, 2010 (Dollar General II);
3 build-to-suit, freestanding fee-simple Dollar General properties located in Gillespie, IL, Marseilles, IL and Mt. Zion, IL on December 23, 2010 (Dollar General III); and
1 build-to-suit, freestanding fee simple Dollar General property located in San Mateo, FL on December 30, 2010 (Dollar General IV);
6 freestanding fee simple Dollar General properties located in Michigan on March 4, 2011 and March 23, 2011 (Dollar General V);
1 freestanding, fee simple Wal-Mart store in Blytheville, Arkansas (Wal-Mart) and 1 freestanding, fee simple Kohl's store in Georgetown, Kentucky on March 7, 2011 (Kohl's);
1 freestanding, fee simple Sam's Club retail warehouse store in Augusta, Georgia on March 21, 2011 (Sam's Club); and
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1 build-to-suit, freestanding fee simple Dollar General property located in Florien, Louisiana and 1 build-to suit, free standing, fee simple Dollar General property located in Port Vincent, Louisiana on April 1, 2011 (Dollar General VI).

Supermarket

1 freestanding supermarket for Super Stop and Shop located in Nanuet, NY on June 4, 2010 (Super Stop and Shop);
1 build to suit, free standing, fee simple Dillon grocery store in Lawrence, KS on January 31, 2011 (Dillons); and
1 freestanding, fee simple Dillons grocery in Wichita, Kansas on March 31, 2011 (Dillons II).

Gas/Convenience

14 fee simple properties for Kum & Go, L.C. located in Springfield, MO (8 properties), Hollister, MO, Bolivar, MO (2 properties), Waynesville, MO, Fair Grove, MO, Monet, MO, on September 16, 2010 (13 properties) and September 20, 2010 (1 property) (Kum & Go);

2 freestanding fee simple properties for Kum & Go, L.C. in Adair, IA and Neola, IA on November 5, 2010 (Kum & Go II);

1 free standing, fee simple QuikTrip gas station and convenience store in Decatur, GA on January 28, 2011; and
2 free standing, fee simple Wawa gas and convenience stores in Yorktown, VA and Allentown, PA on January 31, 2011 (Wawa).

Financial Services

1 freestanding, fee simple office building leased to Automated Trading Desk, LLC, a wholly-owned subsidiary of Citigroup, Inc., in Mount Pleasant, SC on February 18, 2011 (Citigroup).

O Reilly Auto Parts Portfolio

On April 15, 2011, we acquired a fee simple O Reilly Automotive retail store in Waterford, Michigan for a purchase price of \$1.9 Million. The tenant of the property is O Reilly Automotive, Inc. The property contains approximately 8,400 square feet of gross leasable area.

The original lease term is 15 years with 11.8 years currently remaining. The lease contains two renewal options of five years each and contains rental escalations of 10% every five years. The lease is triple-net whereby O Reilly is responsible to pay substantially all operating expenses, including all costs to maintain roof and structure of the building in addition to base rent. The initial annual base rent is approximately \$149,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

The preceding acquisition increases the size of our O Reilly Automotive portfolio to 2 properties.

O Reilly Automotive, Inc. (NASDAQ: ORLY) operates as a specialty retailer of automotive aftermarket parts, tools, supplies, equipment, and accessories in the United States. Its stores offer new and remanufactured automotive hard parts, including alternators, starters, fuel pumps, water pumps, brake system components, batteries, belts, hoses, chassis parts, and engine parts. The company's stores sell a selection of brand name and private label products for domestic and imported automobiles, vans, and trucks to do-it-yourself customers and professional installers. The company operates 3,469 stores in 38 states. The company was founded in 1957, and is headquartered in Springfield, Missouri.

Advance Auto Portfolio

On November 1, 2010, we acquired a build-to-suit, freestanding fee simple Advance Auto Parts store in Dunkirk, New York (Advance Auto IV) for a purchase price of \$1.3 million. The tenant of the property is Advance Stores Co., Inc. (Advance Auto), a wholly-owned subsidiary of Advance Auto Parts, Inc. The property contains 6,124 square feet of gross leasable area. This acquisition increases the size of our Advance Auto portfolio to 8 properties.

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The property has an original lease term of 15 years, with 14.8 years currently remaining. The lease does not contain rent escalations during the primary term. The lease provides for three renewal options of five years each with 5% rental increases for each renewal. The lease is double net whereby the landlord is responsible for maintaining the roof and structure of the building and Advance Auto is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial lease term is approximately \$106,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

Advance Auto Parts, Inc. (NYSE: AAP) operates as a retailer of automotive aftermarket parts, accessories, batteries, and maintenance items. The company's operations are divided into two segments:

Advance Auto Parts (AAP) and Autopart International (AI). The AAP segment operates stores which primarily offer auto parts, including, among other items, alternators, batteries, clutches, engines and engine parts, radiators, starters, and transmissions. The AI segment operates stores that provide replacement parts for domestic and imported cars and light trucks in northeast and Mid-Atlantic regions. The company was founded in 1929 and is based in Roanoke, Virginia.

Kum & Go Portfolio

On November 5, 2010, we acquired two freestanding fee simple properties for Kum & Go, L.C. (Kum & Go II) in Adair, Iowa and Neola, Iowa for an aggregate purchase price of \$3.0 million. The tenant of the properties is Kum & Go. The properties contain 8,008 square feet of gross leasable area. This acquisition increases the size of our Kum & Go portfolio to 16 properties.

Each lease term at commencement is 20 years, with 19.9 years currently remaining. The leases contain contractual rental escalations of 7.5% every five years. The leases are triple net whereby Kum & Go is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, in addition to base rent. The total annual rent for the initial lease terms is approximately \$275,000.

We funded the acquisition of the properties with proceeds from the sale of our common stock.

Kum & Go is a privately-owned convenience store and gas station chain located in the Midwestern United States. The company was founded in 1959 and is headquartered in West Des Moines, Iowa. It operates stores in Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oklahoma, South Dakota, Colorado, Arkansas, Wyoming, and Wisconsin.

Tractor Supply Portfolio

On November 15, 2010, we acquired a build-to-suit, freestanding fee simple Tractor Supply Company (Tractor Supply II) store in Mansura, Louisiana for an aggregate purchase price of \$2.4 million. The tenant of the property is Tractor Supply. The property contains 19,174 square feet of gross leasable area.

We acquired two freestanding, build-to-suit Tractor Supply Company stores in New Boston, Texas and Demopolis, Alabama on March 24 and March 25, 2011, respectively, for an aggregate purchase price of \$5.1 million. The tenant of the properties is Tractor Supply. The properties contain 38,194 square feet of gross leasable area.

The lease terms at commencement are 15 years with an average of 14.9 years currently remaining. The leases contain contractual rent escalations of 10% every five years and four renewal options of five years each. The leases are double net whereby the landlord is responsible for maintaining the roof and structure of the building and Tractor Supply is required to pay substantially all other operating expenses, in addition to base rent. The average annual rent for the initial lease terms is approximately \$463,000.

We funded the acquisitions of the properties with proceeds from the sale of our common stock.

The lease term at commencement is 15 years, with 14.8 years currently remaining. The lease contains contractual rental escalations of 10% every five years. The lease is double net whereby the landlord is responsible for maintaining the roof and structure of the building, and Tractor Supply is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial lease term is approximately \$680,000.

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We funded the acquisition of the property with proceeds from the sale of our common stock.

On December 23, 2010, we acquired a build-to-suit, freestanding fee simple Tractor Supply store (Tractor Supply III) in Sonora, California for an aggregate purchase price of \$4.9 million. The tenant of the property is Tractor Supply.

The property contains 18,860 square feet of gross leasable area.

The lease term at commencement is 15 years, with 14.3 years currently remaining. The lease contains contractual rental escalations of 10% every five years. The lease is double net whereby the landlord is responsible for maintaining the roof and structure of the building, and Tractor Supply is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial lease term is approximately \$428,000.

We funded the acquisition of the property with proceeds from the sale of our common stock. We may finance the acquisition post-closing, however, there is no guarantee that we will be able to obtain financing on terms that we believe are favorable or at all.

The preceding acquisitions increase the size of our Tractor Supply portfolio to 8 properties.

Tractor Supply Company (NASDAQ: TSCO) operates retail farm and ranch stores in the U.S. The company's stores offer a selection of merchandise, including, among other items, equine, pet, and animal products, lawn and garden power equipment, truck, towing and tool products and maintenance products for agricultural and rural use. The company operates its retail stores under the Tractor Supply Company and Del's Farm Supply names. It also operates a Web site under the name TractorSupply.com.

Fed Ex Portfolio

On November 22, 2010, we acquired a build-to-suit, freestanding FedEx Ground distribution facility (FedEx V) in Grand Forks, North Dakota for a purchase price of \$2.9 million. The tenant of the property is FedEx Ground Package System, Inc. (FedEx Ground), a wholly owned subsidiary of FedEx Corporation. The property contains 29,410 square feet of gross leasable area.

The original lease term at commencement was 14 years, with 9.7 years currently remaining. The lease contains a contractual rental escalation of 5% in the beginning of the sixth lease year. The lease is double net whereby the landlord is responsible for the roof and structure of the building, and FedEx Ground is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial lease term is approximately \$226,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On December 8, 2010, we acquired a build-to-suit, freestanding fee simple FedEx Freight distribution facility (FedEx VI) in Louisville, Kentucky for a purchase price of \$29.1 million. The tenant of the property is FedEx Freight East, Inc. (FedEx Freight), a wholly-owned subsidiary of FedEx Corporation. The property contains 150,424 square feet of gross leasable area.

The original lease term at commencement was 15 years with 13.0 years currently remaining. The lease contains 1.5% annual rental escalations after December 1, 2013. The lease contains two renewal options of five years each. The lease is double net whereby the landlord is responsible for the roof and structure of the building, and FedEx Freight is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial

lease term is \$2.6 million. FedEx Corporation has guaranteed FedEx Freight's obligations under the lease.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On December 10, 2010, we acquired a build-to-suit, freestanding fee simple FedEx Freight distribution facility (FedEx VII) in Springfield, Missouri for a purchase price of \$19.1 million. The tenant of the property is FedEx Freight. The property contains 101,350 square feet of gross leasable area.

The original lease term at commencement was 15 years with 13.6 years currently remaining. The lease does not contain rental escalations during the initial term. The lease contains two renewal options of five years each. The lease is double net whereby landlord is responsible for the roof and structure of the building, and

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FedEx Freight is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial lease term is \$1.4 million. FedEx Corporation has guaranteed FedEx Freight's obligations under the lease.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On December 16, 2010, we acquired four build-to-suit, freestanding fee simple FedEx Ground distribution facilities (FedEx VIII) for an aggregate purchase price of \$11.1 million. The tenant of the properties is FedEx Ground. The properties contain 116,689 square feet of gross leasable area. Set forth below are the locations for each of the properties:

Dodge City, Kansas
St. Cloud, Minnesota
Beckley, West Virginia
Hays, Kansas

The original lease terms at commencement were 10 years, with an average of 7.7 years currently remaining. The leases do not contain rental escalations during the primary terms. The leases are double net whereby the landlord is responsible for the roof and structure of the building, and FedEx Ground is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial lease terms is approximately \$893,000.

We funded the acquisition of the properties with proceeds from the sale of our common stock.

On December 23, 2010, we acquired a build-to-suit, freestanding FedEx Ground distribution facility (FedEx IX) in Lincoln, Nebraska for a purchase price of \$6.1 million. The tenant of the property is FedEx Ground. The property contains 64,556 square feet of gross leasable area.

The original lease term at commencement was 10 years, with 9.4 years currently remaining. The lease contains a contractual rental escalation of 5% in year six. The lease is double net whereby the landlord is responsible for the roof and structure of the building, and FedEx Ground is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial lease term is approximately \$498,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On March 30, 2011, we acquired a leasehold interest in a FedEx Ground Package System distribution facility in Ann Arbor, Michigan for a purchase price of \$9.1 million. The distribution facility is freestanding and build-to-suit. The tenant of the properties is FedEx Ground Package System, Inc. (FedEx X), which is a wholly owned subsidiary of the FedEx Corporation. FedEx Corporation has guaranteed the obligations of FedEx X under the leases. The distribution facility contains an aggregate of 105,109 square feet of gross leasable area.

The lease has an initial term of 10 years, with 7.6 years remaining. The lease does not contain contractual rental escalations. The lease is double net whereby the landlord is responsible for maintaining the roof and structure of the building and the tenant is required to pay substantially all other operating expenses, in addition to base rent. The lease for the facility contains two renewal options of five years each. The average annual rent for the initial term of the leases is approximately \$750,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

The preceding acquisition increases the size of our FedEx portfolio to 13 properties.

FedEx Corporation (NYSE: FDX) is a holding company providing transportation, e-commerce and business services.

The company operates in four segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx Kinko's. The FedEx Express segment offers shipping services for the delivery of packages and freight. The FedEx Ground segment provides business and residential ground package delivery services. The FedEx Freight segment offers regional next-day and second-day freight services, as well as long-haul freight services. The FedEx Kinko's segment provides document services, such as printing, copying, and binding and

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business services, such as high-speed Internet access, computer rental and videoconferencing. FedEx Corporation, formerly known as FDX Corporation, was founded in 1971 and is headquartered in Memphis, Tennessee.

FedEx Corporation currently files its financial statements in reports filed with the U.S. Securities and Exchange Commission, and the following summary financial data regarding FedEx Corporation are taken from such filings:

(Amounts in Millions)	Nine Months Ended February 28, 2011 (Unaudited)	Year Ended		May 31, 2008 (Audited)
		May 31, 2010 (Audited)	May 31, 2009 (Audited)	
Statement of Operations				
Revenues	\$ 28,752	\$ 34,734	\$ 35,497	\$ 37,953
Operating income	1,490	1,198	747	2,075
Net income	894	1,184	98	1,125

	February 28, 2011 (Unaudited)	May 31, 2010 (Audited)	May 31, 2009 (Audited)	May 31, 2008 (Audited)
Condensed Consolidated Balance Sheets				
Total assets	\$ 26,202	\$ 24,902	\$ 24,244	\$ 25,633
Long-term debt	1,667	1,668	1,930	1,506
Total common stockholders investment	14,880	13,811	13,626	14,526

Walgreens Portfolio

On December 3, 2010, we acquired seven build-to-suit, freestanding fee-simple Walgreens Pharmacies (Walgreens VI) for an aggregate purchase price of \$40.7 million. The tenant of the properties is Walgreen Co. (Walgreens). The properties contain a total of 102,930 square feet of gross leasable area. Set forth below are the locations for each of the properties:

Louisville, Kentucky (3 properties)
Huntington, West Virginia
Mayfield, Kentucky
Princeton, Indiana
Radcliff, Kentucky

The original lease terms at commencement were 25 years with an average of 23.4 years currently remaining. The leases do not contain rent escalations during the primary term, consistent with all newer Walgreens leases. The leases are triple net whereby Walgreens is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The total annual rent for the initial lease terms is \$2.8 million.

We funded the acquisition of the property with proceeds from the sale of our common stock. We financed the acquisition post-closing with a loan from Ladder Capital secured by a mortgage on the properties. The following table outlines the loan terms of the debt financing:

Mortgage Debt Amount	Rate	Maturity Date
\$22,900,000	5.78 %	February 2016

On December 23, 2010, we acquired a freestanding, leasehold Walgreens Pharmacy (Walgreens VII) in Conway, South Carolina for a purchase price of \$3.0 million. The tenant of the properties is Walgreen Co. (Walgreens). The property contains a total of 14,490 square feet of gross leasable area.

The original lease term at commencement was 20 years with 12.3 years currently remaining. The lease does not contain rent escalations during the primary term, consistent with all newer Walgreens leases. The lease is triple net whereby Walgreens is required to pay substantially all operating expenses, including all

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costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The total annual rent for the initial lease term is approximately \$261,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On January 31, 2011, we acquired nine freestanding fee simple Walgreens pharmacies (Walgreens/Tim Hortons) for a purchase price of \$54.6 million. The tenant of the properties is Walgreen Eastern Co., Inc., or Walgreens. Walgreen Co. has guaranteed Walgreen's obligations under the leases. The properties contain 122,963 aggregate square feet of gross leasable area. Set forth below are the locations and ownership of each of the properties:

Address	City	State	Ownership
9050 Erie Road	Angola	NY	Fee Simple
301 Genesee Street	Auburn	NY	Fee Simple
Mt Read & Maiden Lane	Greece	NY	Fee Simple
Long Pond & Ridge Road	Greece	NY	Leasehold
East Ridge Road & Hudson Avenue	Irondequoit	NY	Fee Simple
Union Road & Michael Road	Orchard Park	NY	Fee Simple
226 Liberty Street	Penn Yan	NY	Fee Simple
Broad Street & Cornelia Street	Plattsburgh	NY	Fee Simple
2329 James Street	Syracuse	NY	Fee Simple

The original lease terms at commencement were 25 years with an average of 23.9 years remaining. Eight of the leases do not contain contractual rental escalations. One of the leases contains a contractual rental escalation of 10% in year 10 and year 25. The leases are triple net whereby Walgreens is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is \$3.8 million.

We funded the acquisition of the properties with \$45.2 million of proceeds from the sale of our common stock and the assumption of the outstanding debt balance of \$9.4 million. The in-place debt is secured by the properties located in Irondequoit, New York and Penn Yan, New York, has a 5.9% interest rate, 25 year amortization and matures on January 1, 2015.

On February 28, 2011, we acquired a freestanding, fee simple Walgreens pharmacy in Martinsville, Virginia for a purchase price of \$5.5 million. The tenant of the property is Walgreens. Walgreen Co. has guaranteed Walgreen's obligations under the leases. The property contains 13,650 square feet of gross leasable area.

The original lease term was 25 years with approximately 22.7 years currently remaining. The lease has no rental escalations. The lease is triple net whereby Walgreens is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is approximately \$401,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On March 25, 2011, we acquired two freestanding, fee simple Walgreens pharmacies in Mansfield, Ohio and Ottumwa, Iowa for a purchase price of \$9.0 million (Walgreens X). The tenant of each of the properties is Walgreen Co. The Mansfield property contains an aggregate of 13,566 square feet of gross leasable area. The Iowa property contains an aggregate of 14,194 square feet of gross leasable area.

The original lease terms are 25 years with an average of 19.3 years currently remaining. There leases do not contain contractual rent escalations. The leases are triple net whereby Walgreens is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The leases contain ten renewal options of five years each. The average annual base rent for the initial term is approximately \$ 671,000.

We funded the acquisitions of the properties with proceeds from the sale of our common stock.

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The preceding acquisitions increase the size of our Walgreens portfolio to 30 properties.

Walgreen Co. (NYSE: WAG) operates a chain of drugstores in the United States. The drugstores sell prescription and non prescription drugs, and general merchandise. Its general merchandise includes household items, personal care, convenience foods, beauty care, photofinishing, candy, and seasonal items. The company provides its services through drugstore counters, as well as through mail, telephone, and the Internet.

Walgreens currently files its financial statements in reports filed with the SEC and the following summary financial data regarding Walgreens are taken from such filings:

(Amounts in millions)	Six Months Ended February 28, 2011 (Unaudited)	Year End August 31, 2010 (Audited)	August 31, 2009 (Audited)	August 31, 2008 (Audited)
Statement of Operations				
Total Revenue	\$ 35,846	\$ 67,420	\$ 63,335	\$ 59,034
Net Income	1,319	2,091	2,006	2,517
Condensed Consolidated Balance Sheets				
Cash and Equivalents	\$ 2,243	\$ 1,880	\$ 2,087	\$ 443
Total Assets	26,878	26,275	25,142	22,410
Long Term Debt	2,380	2,389	2,336	1,337
Total Liabilities	12,197	11,875	10,766	9,541
Total Stockholder Equity	14,681	14,400	14,376	12,869

Dollar General Portfolio

On December 9, 2010, we acquired a build-to-suit, freestanding, fee-simple Dollar General property (Dollar General II) in Hilliard, Florida for a purchase price of approximately \$1.3 million. The tenant of the property is Dolgencorp, LLC (Dollar General). The property contains 9,100 square feet of gross leasable area. Dollar General is the wholly-owned subsidiary of Dollar General Corporation. Dollar General Corporation has guaranteed Dollar General's obligations under the lease.

The original lease term at commencement was 15 years with 14.5 years currently remaining. The lease does not contain rent escalations during the primary term. The lease provides four renewal options of five years each. The lease is triple net whereby Dollar General is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The total annual rent for the initial lease term is approximately \$115,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

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On December 23, 2010, we acquired three build-to-suit, freestanding fee-simple Dollar General properties (Dollar General III) for an aggregate purchase price of \$2.9 million. The tenant of the properties is Dollar General. The properties contain a total of 27,128 square feet of gross leasable area. Set forth below are the locations for each of the properties:

Gillespie, Illinois
Marseilles, Illinois
Mt. Zion, Illinois

The original lease terms at commencement were 15 years with an average of 14.8 years currently remaining. The leases contain rent escalations of 3% in year eleven. The leases provide four renewal options of five years each. The leases for the Gillespie and Marseilles properties are triple net whereby Dollar General is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and

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structure of the building, and the cost of all capital expenditures, in addition to base rent. The lease for the Mt. Zion property is double net whereby the landlord is responsible for the roof and structure of the building, and Dollar General is required to pay substantially all other operating expenses, in addition to base rent. The total annual rent for the initial lease terms is approximately \$252,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On December 30, 2010, we acquired a build-to-suit, freestanding fee simple Dollar General property (Dollar General IV) in San Mateo, Florida for a purchase price of approximately \$1.3 million. The tenant of the property is Dollar General. The property contains 9,014 square feet of gross leasable area. Dollar General Corporation has guaranteed Dollar General's obligations under the lease.

The original lease term at commencement was 15 years with 14.5 years currently remaining. The lease does not contain rent escalations during the primary term. The lease provides four renewal options of five years each. The lease is triple net whereby Dollar General is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The total annual rent for the initial lease term is approximately \$111,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On March 4, 2011 and March 23, 2011, we acquired six freestanding fee simple Dollar General stores located in Michigan for a purchase price of \$5.2 million (Dollar General V). The tenant of the property is Dolgencorp, LLC, or Dollar General. Dollar General is the wholly-owned subsidiary of Dollar General Corporation.

Set forth below are the locations square feet of gross leasable area for each property:

Location	Square Feet of Gross Leasable Area
Wellston, Michigan	9,233
Alanson, Michigan	9,238
Spring Arbor, Michigan	9,107
Buckley, Michigan	9,232
Copemish, Michigan	9,317
North Muskegon, Michigan	9,236

The original lease term for each of the properties is 15 years with an average of approximately 14.8 years currently remaining. The leases contain contractual rental escalations of 3% in year 10 and provide for five renewal options of five years each. The leases are triple net whereby Dollar General is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent is approximately \$459,000.

We funded the acquisition of the properties with proceeds from the sale of our common stock.

On April 1, 2011, we acquired a build-to-suit, freestanding fee simple Dollar General property in Florien, Louisiana for a purchase price of \$0.8 million and another build-to-suit, free standing fee simple Dollar General property in Port Vincent, Louisiana for a purchase price of \$1.1 million (Dollar General VI). The tenant of the properties is Dollar General. The properties contain an aggregate of 18,214 square feet of gross leasable area. Dollar General Corporation

has guaranteed Dollar General's obligations under the leases.

The original lease terms are 15 years and commenced in March 2011. Each of the leases contain three renewal options of five years each and are triple net whereby Dollar General is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial lease term is approximately \$175,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

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The preceding acquisitions increase the size of our Dollar General portfolio to 14 properties.

Dollar General (NYSE: DG) is a discount retailer, offering consumable basic items such as food, snacks, health and beauty aids and cleaning supplies, as well as a selection of basic apparel, house wares and seasonal items. Dollar General Corporation was founded in 1939 and is based in Goodlettsville, Tennessee.

BB&T Property

On December 22, 2010, we acquired a freestanding, fee simple BB&T bank in Ft. Myers, Florida for a purchase price of \$3.9 million. The tenant of the property is Branch Banking and Trust Company (BB&T), a subsidiary of BB&T Corporation. The property contains 3,635 square feet of gross leasable area.

The original lease term at commencement was 15 years with 9.0 years currently remaining. The lease contains annual rent escalations of 3%. The lease provides one five year renewal option and two ten year renewal options. The lease is triple net whereby BB&T is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The total annual rent for the initial lease term is approximately \$298,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

BB&T Corporation is a financial holding company. As of September 30, 2010, its subsidiaries operate over 1,800 financial centers in twelve states and the District of Columbia, and have more than 30,000 employees. BB&T is headquartered in Winston-Salem, North Carolina.

DaVita Dialysis Property

On December 29, 2010, we acquired one freestanding, fee simple DaVita Dialysis Center (DaVita Dialysis) in Lincoln, Nebraska for a purchase price of \$2.9 million. The tenant of the property is. Renal Treatment Centers Illinois, Inc. (Renal Treatment Centers). The property contains 13,000 square feet of gross leasable area. DaVita, Inc. has guaranteed Renal Treatment Center s obligations under the lease.

The original lease term at commencement was 15 years with 7.5 years remaining. The lease contains annual rent escalations of 2% during the primary lease term. The lease provides two renewal options of five years each. The lease is triple net whereby Renal Treatment Centers is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The total annual rent for the initial lease term is approximately \$251,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On February 3, 2011, we acquired two freestanding, fee simple DaVita Dialysis Centers in Abbeville, South Carolina and Shreveport, Louisiana and we also acquired a free standing, fee simple DaVita DialysisCenter in Okmulgee, Oklahoma on February 24, 2011 (DaVita Dialysis II) for a total purchase price of \$5.5 million. The tenant of the properties is Total Renal Care, Inc. DaVita, Inc. has guaranteed the obligations of Total Renal Care, Inc. under the leases. The properties contain an aggregate 16,354 square feet of gross leasable area.

The original lease terms at commencement were 12 years, with an average of 10.9 years currently remaining. The leases contains annual rent escalations of 2% during the primary lease term and provide for two renewal options of

five years each. The leases are triple net whereby DaVita, Inc. is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is approximately \$491,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On March 4, 2011 we acquired one freestanding, fee simple DaVita Dialysis Center in Wilmington, North Carolina for a purchase price of \$6.6 million (DaVita Dialysis III). The tenant of the property is DaVita, Inc. The property contains an aggregate of 18,185 square feet of gross leasable area.

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The original lease term for the property is 15 years with an average of approximately 12.2 years currently remaining. The lease contains annual rent escalations based on the Consumer Price Index capped at 1.50% during the primary term. The lease provides for four renewal options of five years each. The lease is triple net whereby DaVita, Inc. is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent is approximately \$507,000.

On March 31, 2011, we acquired one freestanding, fee simple DaVita Dialysis Center in Enterprise, Alabama for a purchase price of approximately \$2.5 million (DaVita Dialysis II). The tenant of the property will be DaVita, Inc. The property contains an aggregate of 6,800 square feet of gross leasable area.

The original lease term is 12 years with approximately 11.9 years currently remaining. The lease contains annual rent escalations of 2% during the primary lease term and provides for two renewal options of five years each. The lease is triple net whereby DaVita, Inc. is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent is approximately \$222,000.

We funded acquisition of the properties with proceeds from the sale of our common stock.

The preceding acquisitions increase the size of our DaVita Dialysis portfolio to 6 properties.

DaVita, Inc. currently files its financial statements in reports filed with the SEC.

DaVita, Inc. (NYSE: DVA) is a provider of dialysis services in the United States. The company operates dialysis centers in United States and the District of Columbia. DaVita Inc. also provides dialysis services to hospitals and related laboratory services. DaVita Inc. was incorporated in 1994 as Total Renal Care, Inc.

Citizens Bank Portfolio

On January 26, 2011, we acquired two freestanding, fee simple Citizens Bank properties (Citizens) in Stickney, Illinois and Oak Lawn, Illinois for a purchase price of \$3.8 million. The tenant of the properties is Citizens Financial Group, Inc., or Citizens, a subsidiary of Royal Bank of Scotland Group plc. The properties contain 14,307 square feet of gross leasable area.

The original lease terms at commencement were 13 years for the Stickney property and 10 years for the Oak Lawn property, with an average of 7.9 years currently remaining. The leases each contain annual rent escalations of 2.5% after August 2012. The leases also each provide for three renewal options of five years each. The leases are triple net whereby Citizens is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is approximately \$347,000.

We funded the acquisition of the properties with \$800,000 of proceeds from the sale of our common stock and the assumption of the outstanding debt balance of \$3.0 million. The in-place debt is secured by the Oak Lawn property, has an interest rate of 6.30% and matures on August 11, 2011.

Citizens Financial Group, Inc. is the US banking arm of Royal Bank of Scotland Group, plc (NYSE: RBS). Through its subsidiaries, RBS Citizens and Charter One Bank, Citizens has a network of bank branches operating in 12 states

with approximately a third of the banks located in supermarkets. Citizens also operates a network of non-branch banking offices throughout the United States. Citizens is headquartered in Providence, Rhode Island.

Lowe's

On January 7, 2011, we acquired a parcel of land which contains a free-standing, fee simple Lowe's home improvement store in Knoxville, Tennessee for a purchase price of \$10.0 million. The tenant of the property is Lowe's Companies, Inc., a Fortune® 50 company (NYSE: LOW) (Lowe's). The property contains 141,393 square feet of gross leasable area.

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The lease term at commencement was with 20 years with 15.4 years currently remaining. The lease contains no contractual rent escalations during the primary term and provides for 6 renewal options of 5 years each. The lease is triple net whereby Lowe's is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is approximately \$675,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

Lowe's is a home improvement retailer chain based in Mooresville, North Carolina that operates the home improvement stores throughout North America. Lowe's stores serve homeowners, renters and commercial business customers by offering a complete line of products for home decorating, maintenance, repair, remodeling, and property maintenance. Lowe's offers home improvement products in the following categories: appliances, paint, lumber, flooring, building materials, millwork, lawn & landscape products, hardware, fashion plumbing, tools, lighting, seasonal living, rough plumbing, nursery, outdoor power equipment, cabinets & countertops, rough electrical, home environment, home organization, and windows & walls. The company provides its services through its home improvement stores, as well as through the Internet.

QuikTrip

On January 28, 2011, we acquired a free standing, fee simple QuikTrip gas station (QuikTrip) and convenience store in Decatur, Georgia for a purchase price of \$3.3 million. The tenant of the property is QuikTrip Corporation, or QuikTrip. The property contains 4,555 square feet of gross leasable area.

The original lease term at commencement was 15 years with 13.0 years currently remaining. The lease contains no rent escalations during the primary term and provides for seven renewal options of five years each. The lease is triple net whereby QuikTrip is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is approximately \$291,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

QuikTrip Corporation is a privately held company that operates fuel convenience stores and travel centers in the mid-west and southern regions of the United States. It offers gasoline and truck fleet diesel as well as food and beverage products. Founded in 1958, the company is based in Tulsa, Oklahoma.

Dillon

On January 31, 2011, we acquired a build-to-suit, free standing, fee simple Dillon (Dillons) grocery store in Lawrence, Kansas for a purchase price of \$5.1 million. The tenant of the property is Dillon Companies, Inc., a Kansas corporation (d/b/a Dillon Stores), a division of The Kroger Company (NYSE: KR). The Kroger Company has guaranteed Dillons' obligations under the lease. The property contains 56,451 square feet of gross leasable area.

The original lease term at commencement was 30 years with 8.7 years currently remaining. The lease contains no contractual rent escalations during the primary term and provides for three renewal options of five years each. The lease is triple net whereby Dillons is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is approximately \$396,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

On March 31, 2011, we acquired a freestanding, fee simple Dillon grocery in Wichita, Kansas for a purchase price of \$6.4 million (Dillon II). The tenant of the property is Dillon Companies, Inc. The property contains an aggregate of 63,858 square feet of gross leasable area.

The original lease term was 25 years with an average of 10.5 years currently remaining. The lease does not contain contractual rent escalations. The lease is triple net whereby Dillon is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The lease contains six renewal options of five years each. The average annual base rent for the initial term is \$481,000.

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We funded the acquisitions of the properties with proceeds from the sale of our common stock.

The preceding acquisitions increase the size of our Dillon portfolio to 2 properties.

Dillon's is a grocery supermarket chain based in Hutchinson, Kansas, and is a division of The Kroger Company (NYSE: KR). Other banners under Dillon Stores Division include Gerbes in Missouri, Baker's in Omaha, Nebraska and a Food 4 Less store in Fremont, Nebraska. Dillon's operates grocery stores throughout Kansas with major influences in the Wichita metropolitan area and Topeka. Dillon's also operates a dry grocery warehouse in Goddard, Kansas; frozen foods and perishable warehouses in Hutchinson; and a bakery manufacturing plant and dairy facility in Hutchinson. The dairy facility produces cultured dairy products and private-label milk for all Dillon's stores.

The Kroger Company currently files its financial statements in reports filed with the SEC.

The Kroger Company (NYSE: KR) is one of the largest retail food companies in the United States as measured by total annual sales. The company's stores offer full service grocery and pharmacy departments, as well as a general merchandise area which includes outdoor living products, electronics, home goods and toys. The company operates supermarket and multi-department stores under two dozen banners, including Kroger, Ralphs, Fred Meyer, Food 4 Less, King Soopers, Smith's, Fry's, Fry's Marketplace, Dillons, QFC, and City Market, some of which include fuel centers. In addition, the company operates convenience stores and fine jewelry stores. Founded in 1883 by Barney Kroger, the company is based in Cincinnati, Ohio.

Wawa

On January 31, 2011, we acquired two free standing, fee simple Wawa gas and convenience stores (Wawa) located in Yorktown, Virginia and Allentown, Pennsylvania for a purchase price of \$17.2 million. The tenant of the properties is Wawa Inc., or Wawa. The properties contain 12,433 square feet of gross leasable area.

The original lease terms at commencement were 20 years with 16.2 years currently remaining. The leases contain no contractual rent escalation during the primary terms but contain six renewal options of five years each. The leases are triple net whereby Wawa is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is approximately \$1.2 million.

We funded the acquisition of the properties with proceeds from the sale of our common stock.

Wawa Inc. operates a chain of convenience stores in Pennsylvania, New Jersey, Delaware, Maryland and Virginia. The convenience stores offer breakfast, salads, sandwiches, soups, frozen products, dairy products, snacks and gasoline.

CVS Pharmacy Portfolio

On March 24, 2011, we acquired a freestanding, fee simple CVS Pharmacy in Charlotte, MI for a purchase price of \$5.3 million (CVS IV). The tenant of the property is CVS. The property contains 13,225 square feet of gross leasable area.

The lease has a 25 year term with 23.8 years currently remaining. The lease contains contractual rent increases of 7.5% every five years after the 10 year anniversary of the lease term. The lease is triple net whereby CVS is required

to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The average annual base rent for the initial term is approximately \$424,000.

On March 25, 2011, we acquired a freestanding, fee simple CVS Pharmacy in Stony Point, New York for a purchase price of \$5.8 million (CVS V). The tenant of the property is CVS. The property contains 12,900 square feet of gross leasable area.

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The lease has an original term of 25 years with 22.8 years currently remaining. There are no contractual rent increases. The lease is triple net whereby the tenant is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The lease contains nine renewal options of five years each. The average annual base rent for the initial term of the CVS lease is approximately \$420,000.

We funded the acquisition of the properties with proceeds from the sale of our common stock.

The preceding acquisition increases the size of our CVS portfolio to 29 properties.

CVS currently files its financial statements in reports filed with the SEC and the following summary financial data regarding CVS are taken from such filings (in millions):

(Amounts in millions)	Year Ended		
	December 31, 2010 (Audited)	December 31, 2009 (Audited)	December 31, 2008 (Audited)
Statement of Operations			
Total Revenue	\$ 96,413	\$ 98,729	\$ 87,472
Net Income	3,424	3,696	3,212
	December		
	31, 2010 (Audited)	31, 2009 (Audited)	31, 2008 (Audited)
Condensed Consolidated Balance Sheets			
Cash and Equivalents	\$ 1,427	\$ 1,086	\$ 1,352
Total Assets	62,169	61,641	60,960
Long Term Debt	8,652	8,756	8,057
Total Liabilities	24,469	25,872	26,386
Total Stockholder Equity	37,700	35,768	34,574

For more detailed information about CVS, please refer to its financial statements, which are publicly available on the SEC's website at <http://www.sec.gov>.

CVS Caremark Corporation (NYSE: CVS) is a pharmacy services company, which provides prescriptions and related healthcare services in the United States. CVS operates through two segments: Pharmacy Services and Retail Pharmacy. The Pharmacy Service segment provides a range of prescription benefit management services, including mail order pharmacy services, specialty pharmacy services, plan design and administration, formulary management, and claims processing. This segment serves primarily employers, insurance companies, unions, government employee groups, managed care organizations and other sponsors of health benefit plans, and individuals. The Retail Pharmacy Segment sells prescription drugs, over-the-counter drugs, beauty products and cosmetics, photo finishing, seasonal merchandise, greeting cards, and convenience foods through its pharmacy retail stores, and online. This segment also provides health care services. CVS was founded in 1892 and is headquartered in Woonsocket, Rhode Island.

Citigroup

On February 18, 2011, we acquired a freestanding, fee simple office building leased to Automated Trading Desk, LLC (Automated Trading Desk), a wholly-owned subsidiary of Citigroup, Inc., or Citigroup, in Mount Pleasant, South Carolina for a purchase price of \$27.3 million (Citigroup). The tenant of the property is Automated Trading Desk, LLC. Citigroup has guaranteed the obligations of Automated Trading Desk under the lease. The property contains 64,036 square feet of gross leasable area.

The original lease term at commencement was 20 years with 14.6 years currently remaining. The lease contains annual rental escalations which are based on the Consumer Price Index. The lease is double net with the stipulation that the landlord is responsible for the roof, foundation and structure of the building. The lease provides for four renewal options of five years each. The average annual base rent for the initial term is \$1.8 million.

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We funded the acquisition of the property with proceeds from the sale of our common stock. Subsequently we financed the property with a mortgage loan in the amount of \$13.8 million. The loan bears interest at 5.58% and requires interest only payments until maturity in ten years.

Founded in 1988, Automated Trading Desk, LLC is headquartered at the property in Mount Pleasant, South Carolina. The company specializes in high volume, high speed, computer generated trading of securities. Automated Trading Desk, LLC has proprietary expert systems that capture and analyze vast amounts of market data, and through the use of algorithms, predict very short-term price movements in individual stocks. The primary purpose of these price prediction algorithms is to reduce the adverse selection risk faced by limit order traders and market makers whose orders and quotes are displayed to the entire market. The company offers automated execution solutions in all domestic equity markets, including the listed, over-the-counter, exchange traded fund and bulletin board/pink sheet marketplaces.

Citigroup, Inc. currently files its financial statements with the SEC.

Citigroup, Inc. (NYSE: C) is a global financial services company that provides consumers, corporations, governments, and institutions with a range of financial products and services, including consumer banking, credit cards, corporate and investment banking, securities brokerage, and wealth management. The company has two primary segments: Citicorp and Citi Holdings. The Citicorp segment operates as a global bank for businesses and consumers. The Citi Holdings segment has three businesses: (i) brokerage and asset management; (ii) local consumer lending; and (iii) special asset pool. The brokerage and asset management business offers retail brokerage and asset management services. The local consumer lending business provides residential mortgage loans, personal loans, commercial real estate, and other consumer loans. The special asset pool business is a portfolio of securities, loans, and other assets. The company was founded in 1812 and is based in New York, New York.

Coats & Clark, Inc.

On February 18, 2011, we acquired a freestanding, fee simple Coats & Clark distribution facility (Coats & Clark) in Albany, Georgia for a purchase price of \$9.5 million. The tenant of the property is Coats & Clark, Inc., a division of Coats PLC. The property contains 401,512 square feet of gross leasable area.

The original lease term at commencement was 10 years with 9.9 years currently remaining. The lease is double net and provides for periodic rental escalations averaging 2% annually over the term of the lease. The average annual base rent for the initial term is approximately \$937,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

Coats & Clark, the American division of Coats PLC, is the part of the world's largest textile/thread manufacturing company. Coats began selling its thread in the United States in the 1830s.

Coats PLC is the world's largest sewing thread and needlecraft supplies manufacturer, processor, and distributor. The company makes and sells thread, zippers, yarn, specialty textiles and related goods. Coats PLC has the largest market share in the world of needlecrafts. Coats PLC is a wholly owned subsidiary of the Guinness Peat Group, an investment holding company listed on the London, New Zealand and Australian Stock Exchanges.

Express Scripts, Inc.

On March 3, 2011 we acquired one fee simple freestanding property and one leasehold property, both for Express Scripts, Inc., or Express Scripts, in St. Louis, Missouri for a purchase price of \$51.3 million. The tenant of the properties is Express Scripts. One of the properties serves as the Express Scripts headquarters and the other serves as a processing facility. The properties contain an aggregate of 416,141 square feet of gross leasable area.

The original lease term for the properties is 10 years with an average of approximately 8.2 years currently remaining. The lease for the office headquarters contains contractual rental escalations of an average of 2% per year. Both of the leases are double net with the landlord responsible for roof and structure. The average annual base rent is approximately \$4.6 million.

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We funded the acquisition of the properties with proceeds from the sale of our common stock. Post-closing we obtained a \$28.7 million mortgage loan secured by the two Express Script properties. The mortgage loan bears an interest rate of 4.59% and requires only interest payments until its maturity date in May 2016.

Express Scripts, Inc. (Nasdaq GS: ESRX) provides a range of pharmacy benefit management services in North America. The company's services include retail network pharmacy management and retail drug card programs, patient care contact centers, benefit plan design and consultation, electronic claims processing and assistance programs for low-income patients. The company also engages in the distribution of pharmaceuticals and medical supplies to providers and clinics. Express Scripts, Inc. serves HMOs, health insurers, third-party administrators, employers, union-sponsored benefit plans, workers' compensation plans, government health programs, office-based oncologists, renal dialysis clinics, ambulatory surgery centers, primary care physicians, and retina specialists. The company was founded in 1986 and is headquartered in St. Louis, Missouri.

Wal-Mart Stores, Inc. and Kohl's Corp.

On March 7, 2011, we acquired a freestanding fee-simple Wal-Mart store in Blytheville, Arkansas (Wal-Mart) and a freestanding fee simple Kohl's store in Georgetown, Kentucky for an aggregate purchase price of \$22.8 million (Kohl's). The tenant of the properties is Wal-Mart Stores, Inc. and Kohl's Corp. The Wal-Mart property contains 183,442 square feet of gross leasable area and the Kohl's property contains 88,408 square feet of gross leasable area.

The original lease term for the Wal-Mart property is 20 years with an average of approximately 8.1 years currently remaining. The lease does not contain contractual rental escalations. The lease provides for six renewal options of five years each. The lease is triple net whereby Wal-Mart Stores Inc. is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The initial annual base rent is approximately \$903,000.

The original lease term for the Kohl's property is 20.5 years with an average of approximately 14.9 years currently remaining. The lease does not contain contractual rental escalations. The lease provides for six renewal options of five years each. The lease is triple net whereby Kohl's Corp. is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The initial annual base rent is approximately \$728,000.

On March 21, 2011, we acquired a parcel of land which contains a Sam's Club retail warehouse store in Augusta, Georgia for a purchase price of approximately \$12.6 million (Sam's Club). The tenant of the property is Sam's Real Estate Business. The property contains a building with 141,583 square feet of gross leasable area.

The original lease term for the Sam's Club property is 15 years with approximately 14.4 years currently remaining. The lease does not contain rent escalations. The lease contains 12 renewal options of five years each. The lease is triple net whereby the tenant is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The initial annual base rent is approximately \$851,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

Wal-Mart Stores, Inc. (NYSE: WMT) operates retail stores in various formats worldwide. The company's U.S. segment offers, among other items, groceries, health and beauty aids, electronics, toys, apparel, pharmacy services and housewares through discount stores, supercenters, and neighborhood markets, as well as through walmart.com. The

company's international segment includes various formats of retail stores and restaurants, including supermarkets, combination discount and grocery stores, superrights. The company's Sam's Club segment offers merchandise, including hard goods, softwoods, and selected private-label items under the Member's Mark, Bakers & Chefs and Sam's Club brands through warehouse membership clubs in the United States, as well as through samsclub.com.

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Texas Instruments, Inc.

On March 16, 2011, we acquired a freestanding fee simple Texas Instruments design and logistics facility in Tucson, Arizona for a purchase price of \$32.0 million (Texas Instruments). The tenant of the property is Texas Instruments, Inc. The property contains 125,000 square feet of gross leasable area.

The original lease term is 13 years with 9.7 years currently remaining. The lease is double net whereby the landlord is responsible for roof and structural expenditures. The lease contains annual rent increases of 2% and three renewal options of five years each. Additionally, the landlord is responsible for limited operating expenses, real estate taxes and insurance, which are fully reimbursed by Texas Instruments, Inc. The average annual base rent is approximately \$2.5 million.

We funded the acquisition of the property with proceeds from the sale of our common stock.

Texas Instruments Inc. engages in the design and sale of semiconductors to electronics designers and manufacturers worldwide. Its three main business units are analog, embedded processing and wireless. The company serves communications, computing, industrial, consumer electronics, automotive, and education sectors. It sells its products through a direct sales force, distributors, and third-party sales representatives. The company was founded in 1938 and is headquartered in Dallas, Texas.

Provident Bank

On March 25, 2011, we acquired a freestanding, fee simple Provident Bank branch in Stony Point, New York for a purchase price of \$2.6 million (Provident Bank). The tenant of the property is Provident Bank. The property contains 2,950 square feet of gross leasable area.

The lease has an original term of 25 years with 22.8 years remaining and a contractual rent increase of 10% every five years. The lease is triple net whereby the tenant is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The lease contains four renewal options of five years each. The average annual base rent for the initial term of the lease is approximately \$237,000.

We funded the acquisition of the property with proceeds from the sale of our common stock.

Provident New York Bancorp (NASDAQ: PBNY), is the bank holding company for Provident Bank, an independent, full-service community bank founded in 1888 in Spring Valley, New York. Provident Bank is now the largest independent full-service community bank in the lower Hudson Valley, serving Rockland, Orange, Sullivan, Ulster, Putnam and Westchester Counties in New York as well as Bergen County, New Jersey under the Towncenter Bank name. Provident Bank is headquartered in Montebello, New York.

3M Company

On March 31, 2011, we acquired a freestanding fee simple 3M Distribution Facility in DeKalb, Illinois for a purchase price of \$44.8 million (3M). The tenant of the property is 3M Company. The property contains an aggregate of 650,760 square feet of gross leasable area.

The original lease term is 10 years with rent commencing in April 2011. The lease has contractual rent escalations of 1% each year and two renewal options of five years each. The lease is triple net whereby the tenant is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The initial annual base rent is approximately \$3.3 million.

We financed the acquisition with a \$20.5 million mortgage loan. The loan bears an interest rate of 4.03% and requires interest only payments until its maturity date in March 2016.

3M Company (3M) (NYSE: MMM) is a diversified technology company with a presence in industrial and transportation; health care; display and graphics; consumer and office; safety, security and protection services, and electro and communications. 3M manages its operations in six operating business segments: industrial and transportation; health care; display and graphics; consumer and office; safety, security and protection services, and electro and communications. 3M products are sold through numerous distribution

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channels, including directly to users and through numerous wholesalers, retailers, jobbers, distributors and dealers in a variety of trades in many countries. The company was founded in 1902 and is based in St. Paul, Minnesota.

Bojangles Restaurants, Inc.

On March 31, 2011, we acquired 13 freestanding, fee simple Bojangles restaurants located across the Southeastern United States for a purchase price of \$24.8 million. The tenant of the restaurants is Bojangles Restaurants, Inc. (Bojangles)

Set forth below are the locations and square feet of gross leasable area for each property:

Location	Square Feet of Gross Leasable Area
Northport, Alabama	3,550
Buford, Georgia	3,477
Lincolnton, North Carolina	4,932
Hickory, North Carolina	4,917
Hildebran, North Carolina	3,553
Inman, South Carolina	3,524
Thomasville, North Carolina	3,534
Highpoint, North Carolina	2,745
Walkertown, North Carolina	3,496
Hartwell, Georgia	3,550
Raeford, North Carolina	3,491
Batesburg, South Carolina	3,584
Piedmont, South Carolina	3,512

The original lease term for each of the properties is 15 years with an average of approximately 12.1 years currently remaining. The leases contain annual contractual rental escalations of 1.61% increases on a weighted average basis. The leases are triple net whereby Bojangles is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The leases contain three five year renewal options. The initial average annual base rent is approximately \$2.2 million.

Bojangles is the sixth largest operator and franchisor of quick service restaurants in the U.S.. The company's menu offers various signature items including bone-in fried chicken, made-from-scratch buttermilk biscuits and fresh-brewed ice tea. The company was founded in Charlotte, North Carolina in 1977. The company is privately owned and its largest stockholder is Falfurrias Capital Partners.

Post-closing of the property purchases, we obtained a \$24.7 million mortgage loan from Citigroup Global Markets Realty Corp. collateralized by 4 Tractor Supplies, 1 O'Reilly Automotive, 2 Walgreens, 1 FedEx, 4 AutoZones, and 3 Saint Joseph's Mercy Medical properties. The loan bears interest at 4.45%, requires interest only payments and matures in November 2020.

Post-closing of the property purchases we obtained a \$24.3 million mortgage loan from Wells Fargo Bank, N.A. collateralized by 2 FedEx properties. The loan bears interest at 4.49%, requires interest only payments and matures in

February 2016.

Post-closing of the property purchases we obtained a \$51.6 million mortgage loan from Wells Fargo Bank, N.A. collateralized by 6 BSFS, 2 IHOPs, 4 Jack in the Box, 3 Dollar Generals, 1 CVS land parcel, 1 Advance Auto, 2 Tractor Supplies, 6 FedEx, 1 BB&T, 1 Walgreens, 1 DaVita Dialysis, 1 Lowe's property. The loan bears interest at 4.86%, requires interest only payments and matures in April 2016.

The following disclosure is to be added to the section of the Prospectus entitled "Investment Objectives and Policies - Potential Property Investments" on pages 135 - 136 of the Prospectus.

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On January 20, 2011 our board of directors approved the following property acquisitions. Although we believe that the acquisition of the properties is probable, there can be no assurance that the acquisitions will be consummated.

Walgreens Portfolio and Tim Hortons

We anticipate acquiring two freestanding Walgreens pharmacies located in South Burlington, Vermont and Auburn, New York, and a Tim Horton corporate store in Auburn, New York for a purchase price of approximately \$10.4 million.

The tenants of the Walgreens properties will be Walgreen Eastern Co., Inc., or Walgreens. The South Burlington property has a leasehold ownership interest and the Walgreens Auburn property has a fee simple ownership interest. The South Burlington property contains approximately 26,000 square feet of gross leasable area and the Auburn property contains approximately 15,000 square feet of gross leasable area.

The tenant of the Tim Hortons property will be Tim Donut U.S. Limited. The property contains approximately 2,400 square feet of gross leasable area.

The original lease term for both Walgreens properties was 25 years with 24.7 years currently remaining for the South Burlington property and 20.7 years remaining for the Auburn property. The leases are triple net whereby Walgreens is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The initial annual base rent is approximately \$876,000.

The original lease term for the Tim Hortons property is 10 years with 7.7 years currently remaining. The lease provides for 10% rent escalations every five years. The lease is triple net whereby Tim Horton is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The initial annual base rent is approximately \$45,000.

We intend to fund the acquisition of the properties with proceeds from the sale of our common stock. We may finance the acquisition post-closing, however, there is no guarantee that we will be able to obtain financing on terms we believe are favorable or at all.

Tim Hortons Inc. (NYSE: THI) develops, franchises and operates quick service restaurants primarily in Canada and the United States. It offers premium coffee, cappuccinos, specialty teas, soups, sandwiches, breakfast sandwiches, baked goods and donuts. Tim Hortons opened its first restaurant in Hamilton, Ontario in 1964.

The preceding acquisitions will increase the size of our Walgreens portfolio to 30 properties.

DaVita Dialysis Portfolio

We anticipate acquiring two freestanding, fee simple DaVita Dialysis Centers in Marked Tree and Osceola Arkansas for a purchase price of approximately \$2.9 million. The tenant of the properties will be DaVita, Inc. The properties contain an aggregate of approximately 8,900 square feet of gross leasable area.

The original lease terms for each of the properties is 12 years with an average of approximately 10.5 years currently remaining. The leases contains annual rent escalations of 2% during the primary lease term and provide for two renewal options of five years each. The leases are triple net whereby DaVita, Inc. is required to pay all operating

expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The initial annual base rent is approximately \$373,000.

The preceding acquisition will increase the size of our DaVita Dialysis portfolio to 8 properties.

On March 18, 2011, our Board of Directors approved the following property acquisitions. Although we believe that the acquisition of the properties is probable, there can be no assurance that the acquisitions will be consummated.

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FedEx Portfolio

We anticipate acquiring a leasehold interest in a FedEx Ground Package System distribution facility in The Bronx, New York for a purchase price of \$22.9 million. The distribution facility is free standing and build-to-suit. The tenant of the properties is FedEx Ground Package System, Inc. (FedEx Ground), which is a wholly owned subsidiary of the FedEx Corporation. The distribution facility contains an aggregate of 98,753 square feet of gross leasable area.

The tenant and ground leases for the distribution facility have an initial lease term of 20 years with 16.9 years currently remaining. The tenant lease contains contractual rental escalations based on the Consumer Price Index in years 10 and 15. Both the tenant and ground leases are double net whereby the landlord is responsible for maintaining the roof and structure of the building and the tenant is required to pay substantially all other operating expenses, in addition to base rent. The tenant lease contains two renewal options of five years each and the ground lease contains four renewal options of five years each. The initial annual base rent for the initial term of the leases is \$1.8 million.

Dollar General Portfolio

We anticipate a build-to-suit, free standing fee simple Dollar General property in Abbeville, Louisiana for a purchase price of \$0.8 million. The tenant of the properties will be Dollar General. The property contains 9,100 square feet of gross leasable area. Dollar General Corporation will guarantee Dollar General's obligations under the leases.

The original lease term is 15 years and commenced in March 2011. The lease contains three renewal options of five years each and is triple net whereby Dollar General is required to pay substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The annual rent for the initial lease term is approximately \$89,800.

We intend to finance the acquisition with proceeds from the sale of our common stock. We may finance the acquisition post-closing, however, there is no guarantee that we will be able to obtain financing on terms that we believe are favorable or at all.

DaVita Dialysis Portfolio

We anticipate acquiring a freestanding, fee simple DaVita Dialysis Centers in Blackfoot, Idaho for a purchase price of approximately \$2.1 million. The tenant of the properties will be DaVita, Inc. The property contains an aggregate of 6,020 square feet of gross leasable area.

The original lease terms for each of the property is 15 years with approximately 8.7 years currently remaining. The lease contain annual rent escalations of 2% during the primary lease term and provide for two renewal options of five years each. The lease is triple net whereby DaVita, Inc. is required to pay all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The initial annual base rent is approximately \$168,000.

We intend to finance the acquisition with proceeds from the sale of our common stock. We may finance the acquisition post-closing, however, there is no guarantee that we will be able to obtain financing on terms that we believe are favorable or at all.

On March 24, 2011, our Board of Directors approved the following property acquisitions. Although we believe that the acquisition of the properties is probable, there can be no assurance that the acquisitions will be consummated.

Dollar General Portfolio

We anticipate acquiring a build-to-suit, free standing fee simple Dollar General property in West Monroe, Louisiana for a purchase price of \$1.0 million. The tenant of the properties will be Dollar General. The property contains 9,026 square feet of gross leasable area. Dollar General Corporation will guarantee Dollar General's obligations under the leases.

The original lease term is 15 years with rent scheduled to commence in May 2011. The lease contains three renewal options of five years each and is triple net whereby Dollar General is required to pay

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substantially all operating expenses, including all costs to maintain and repair the roof and structure of the building, and the cost of all capital expenditures, in addition to base rent. The annual rent for the initial lease term is approximately \$97,000.

We intend to finance the acquisition with proceeds from the sale of our common stock. We may finance the acquisition post-closing, however, there is no guarantee that we will be able to obtain financing on terms that we believe are favorable or at all.

Plan of Operation

The following disclosure is added to page 139 of the Prospectus under the heading Plan of Operation .

Funds from Operations and Modified Funds from Operations

In addition to measurements defined by GAAP, our management also considers funds from operations (FFO) and modified funds from operations (MFFO), each as described below, as supplemental measures of our performance. We present FFO and MFFO because we consider them important supplemental measures of our operating performance and believe they are frequently used by investors and other interested parties in the evaluation of REITS, many of which present FFO and MFFO when reporting their results.

FFO is generally considered to be an appropriate supplemental non-GAAP measure of the performance of REIT. FFO is defined by the National Association of Real Estate Investment Trusts, Inc (NAREIT) as net earnings before depreciation and amortization of real estate assets, gains or losses on dispositions of real estate, (including such non-FFO items reported in discontinued operations). Notwithstanding the widespread reporting of FFO, changes in accounting and reporting rules under GAAP that were adopted after NAREIT 's definition of FFO have prompted a significant increase in the magnitude of non-operating items included in FFO. For example, acquisition expenses and transaction-related expenses which we intend to fund from the proceeds of our offering and which we do not view as an expense of operating a property, are now deducted as expenses in the determination of GAAP net income. As a result, we intend to consider a modified FFO, or MFFO, as a supplemental measure when assessing our operating performance. We intend to explain all modifications to FFO and to reconcile MFFO to FFO and FFO to GAAP net income when presenting MFFO information.

Our MFFO has been determined in accordance with the Investment Program Association (IPA) definition of MFFO and may not be comparable to MFFO reported by other non listed REITs or traded REITs that do not define the term in accordance with the current IPA definition or that interpret the current IPA definition differently. Our MFFO is FFO excluding straight-line rental revenue, gain on sale of unconsolidated real estate entity and acquisition-related costs expensed with an additional adjustment to add back amounts received or receivable from our advisor or its affiliates in the form of an additional capital contribution (without any corresponding issuance of equity in the form of common or preferred shares of beneficial interest to the advisor or its affiliates). Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting alone to be insufficient. MFFO may provide investors with a useful indication of our future performance and the sustainability of our current distribution policy upon completion of the acquisition period. However, because MFFO excludes the effects of acquisition costs, which are an important component in the analysis of the historical performance of an asset, MFFO should not be construed as a historic performance measure.

Our calculation of MFFO will exclude the following items and as a result will have the following limitations with its use as compared to net income/(loss):

Other non-cash charges not related to the operating performance or our properties. Straight-line rent adjustment, gain on sale of unconsolidated real estate entity and other non-cash charges, if any, may be excluded from MFFO if we believe these charges are not useful in the evaluation of our operating performance. Although these charges will be included in the calculation, and result in an increase or decrease, of net income (loss), these charges are adjustments excluded from MFFO because we believe that MFFO provides useful supplemental information by focusing on the changes

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in our operating fundamentals rather than on events not related to our core operations. However, the exclusion of impairments limits the usefulness of MFFO as a historical operating performance measure since an impairment indicates that the property's operating performance has been permanently affected.

Acquisition expenses and transaction-related expenses. Although these amounts reduce net income, we fund such costs with proceeds from our offering and acquisition-related indebtedness and do not consider these expenses in the evaluation of our operating performance and determining MFFO.

The calculation of FFO and MFFO may vary from entity to entity because capitalization and expense policies tend to vary from entity to entity. Consequently, our presentation of FFO and MFFO may not be comparable to other similarly titled measures presented by other non-traded REITs. FFO and MFFO have significant limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under GAAP. FFO and MFFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance. FFO and MFFO does not represent cash generated from operating activities determined in accordance with GAAP and are not measures of liquidity and should be considered in conjunction with reported net income and cash flows from operations computed in accordance with GAAP, as presented in our consolidated financial statements.

Accordingly, we believe that FFO is helpful to our management as a measure of operating performance because it excludes depreciation and amortization, gains and losses from property dispositions, and extraordinary items, and as a result, when compared year over year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which is not immediately apparent from net income. We believe that MFFO is helpful to investors, other interested parties and our management as a measure of operating performance because it excludes charges that management considers more reflective of investing activities or non-operating valuation changes. By providing FFO and MFFO, we present supplemental information that reflects how our management analyzes our long-term operating activities. We believe fluctuations in MFFO are indicative of changes in operating activities and provide comparability in evaluating our performance over time and as compared to other real estate companies that may not be affected by impairments or acquisition activities.

We believe that presenting FFO and MFFO is useful to and will benefit investors and other interested parties by (i) enhancing the ability of the financial community to analyze and compare our operating performance over time through the developing stages of our operations and among other non-traded REITs; (ii) enhance transparency and public confidence in the quality and consistency of our reported results; and (iii) provide standardized information for the evaluation by investors of our operating performance consistent with how our management, advisor and board of directors judge our operating performance and determine operating, financing and distribution policies.

Our calculation of FFO and MFFO may differ from other real estate companies due to, among other items, variations in cost capitalization policies for capital expenditures and, accordingly, may not be comparable to such other real estate companies.

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*The following disclosure replaces in its entirety the disclosure on page 140 of the Prospectus under the heading
Selected Financial Data .*

The selected financial data presented below has been derived from our consolidated financial statements as of and for the year ended December 31, 2010 and as of and for the year ended December 31, 2009 (in thousands):

	Year Ended December 31, 2010	Year Ended December 31, 2009
Balance Sheet Data:		
Total real estate investments, net	\$ 849,816	\$ 327,264
Cash	31,985	5,010
Restricted cash	90	43
Prepaid expenses and other assets	12,049	4,458
Total assets	914,054	339,277
Mortgage notes payable	372,755	183,811
Short-term bridge equity funds		15,878
Long-term notes payable	12,790	13,000
Total liabilities	411,390	228,721
Total stockholders' equity	502,664	110,556
Total liabilities and stockholders' equity	914,054	339,277
Operating Data:		
Rental income	44,773	14,964
Asset management fees to affiliate	1,350	145
Operating income	7,854	5,491
Interest expense	18,109	10,352
Net loss	9,833	4,266
Cash Flow Data:		
Net cash provided by (used in) operating activities	9,864	(2,526)
Net cash used in investing activities	(555,136)	(173,786)
Net cash provided by financing activities	572,247	180,435

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Prior Performance Summary

*The following language replaces the disclosure under the heading **Prior Performance Summary** beginning on page 142 of the Prospectus.*

Prior Investment Programs

The information presented in this section represents the historical experience of the real estate programs managed or sponsored over the last ten years by Messrs. Schorsch and Kahane. Investors should not assume that they will experience returns, if any, comparable to those experienced by investors in such prior real estate programs. The prior performance of real estate investment programs sponsored by affiliates of Messrs. Schorsch and Kahane and our advisor may not be indicative of our future results. The information summarized below is current as of December 31, 2010 and is set forth in greater detail in the Prior Performance Tables included in this prospectus. In addition, we will provide, upon request to us and without charge, a copy of the most recent Annual Report on Form 10-K filed with the SEC by any public program within the last 24 months, and for a reasonable fee, a copy of the exhibits filed with such Annual Report.

We intend to conduct this offering in conjunction with future offerings by one or more public and private real estate entities sponsored by American Realty Capital and its affiliates. To the extent that such entities have the same or similar objectives as ours or involve similar or nearby properties, such entities may be in