

# Nontraded REIT Industry Review: Second Quarter 2015

## American Realty Capital – Retail Centers of America, Inc.

Total Assets.....	\$1,018.6 Million
Real Estate Assets .....	\$943.9 Million
Cash .....	\$47.6 Million
Securities .....	\$0.0 Million
Other .....	\$27.1 Million



Initial Offering Date: ..... March 17, 2011  
 Offering Close Date: ..... September 12, 2014  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during Offering (including DRP)..... \$859.1 Million

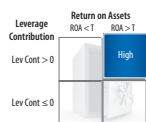
Cash to Total Assets Ratio: ..... 4.7%  
 Asset Type: ..... Retail  
 Number of Properties: ..... 28  
 Square Feet / Units / Rooms / Acres: ..... 5.8 Million Sq. Ft.  
 Percent Leased: ..... 94.7%  
 Weighted Average Lease Term Remaining: ..... 5.8 Years  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 95,929,948

### Historical Price



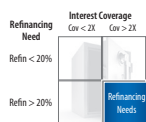
### Performance Profiles

#### Operating Performance



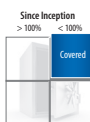
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

#### Cumulative MFFO Payout



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

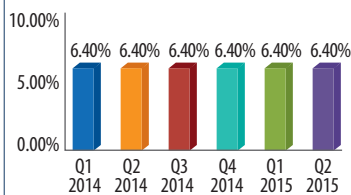
#### Summary

The REIT's 12-month average return on assets of 5.29% exceeds the 10-year Treasury Yield, and it provides a positive leverage contribution given the 15.4% debt ratio and 3.05% average cost of debt. The REIT's trailing 12-month interest coverage ratio at 8.9X exceeds the 2.0X benchmark, less than 1% of debt matures within two years but 45% is at unhedged variable rates, indicating some interest rate risk. The REIT's MFFO cash payout ratio excluding DRP proceeds is 82% since inception and 82% over the past 12 months.

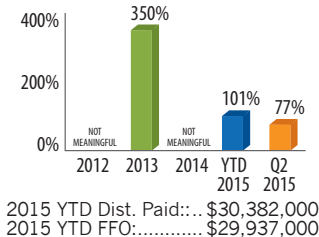
### Contact Information

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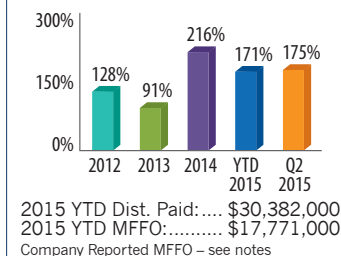
### Historical Distribution



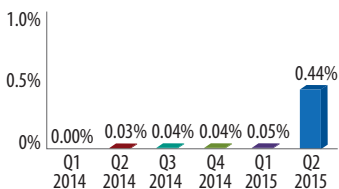
### Historical FFO Payout Ratio



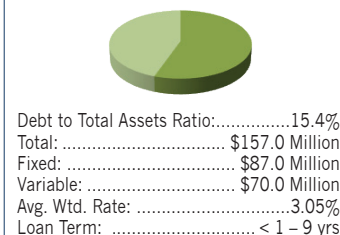
### Historical MFFO Payout Ratio



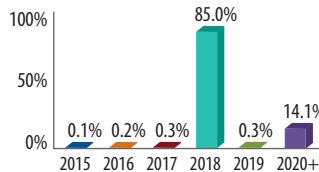
### Redemptions



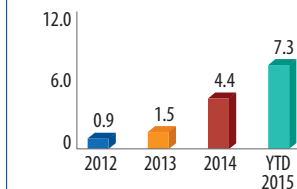
### Debt Breakdown



### Debt Repayment Schedule



### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- The Company on May 7, 2015, filed a post-effective amendment to its registration statement to deregister all unsold shares of its common stock registered pursuant to the company's primary offering and distribution reinvestment plan.
- As of June 30, 2015, the Company owned 28 properties with an aggregate purchase price of \$903.7 million, comprised of 5.8 million rentable square feet which were 94.7% leased on a weighted-average basis.
- On August 6, 2015, AR Capital, the sponsor of the Company, entered into an agreement with an affiliate of Apollo Global Management (NYSE: APO) that provides that ARC will transfer to AR Global (a newly formed entity) substantially all of the assets of its ongoing asset management business. The Company's advisor and sponsor following the transactions contemplated will be owned indirectly by AR Global. The Company's property manager is not included in the assets which will be transferred to AR Global and will continue to be owned indirectly by ARC following the transactions.
- The REIT's Cash to Total Assets ratio decreased to 4.7% as of 2Q 2015 compared to 47.4% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio decreased to 15.4% as of 2Q 2015 compared to 16.0% as of 2Q 2014.
- The Company had hedged \$33.8 million of its variable rate debt as of June 30, 2015.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- During the quarter ended June 30, 2015, distributions paid to common stockholders totaled \$15.428 million, inclusive of \$8.842 million of distributions issued pursuant to the DRIP. During the three months ended June 30, 2015, cash used to pay distributions was generated from proceeds from cash flows from operations (47.7%) and the net proceeds from the offering proceeds under the DRIP (52.3%).