

# Nontraded REIT Industry Review: Second Quarter 2015

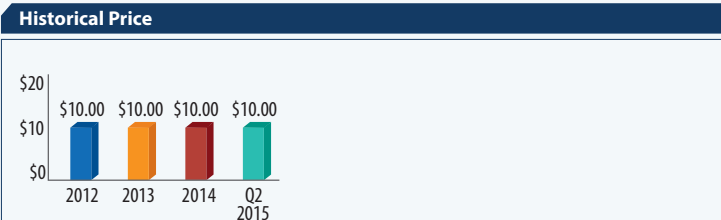
## Cole Credit Property Trust IV, Inc.

Total Assets.....	\$4,380.0 Million
Real Estate Assets .....	\$4,281.9 Million
Cash .....	\$24.9 Million
Securities .....	\$0.0 Million
Other .....	\$73.1 Million



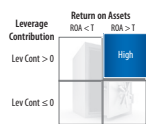
Initial Offering Date: ..... January 26, 2012  
 Offering Close Date: ..... February 25, 2014  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50  
 Cumulative Capital Raised during Offering (including DRP)..... \$2,964.3 Million

Cash to Total Assets Ratio: ..... 0.6%  
 Asset Type: ..... Retail  
 Number of Properties: ..... 828  
 Square Feet / Units / Rooms / Acres: ..... 22.3 Million Sq. Ft.  
 Percent Leased: ..... 98%  
 Weighted Average Lease Term Remaining: ..... 11.1 Years  
 LifeStage: ..... Maturing  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 308,556,981



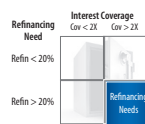
**Performance Profiles**

**Operating Performance**



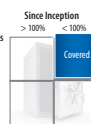
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

**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.

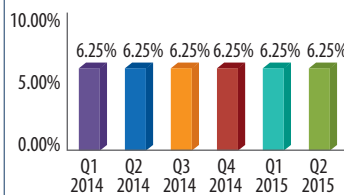
**Summary**

The REIT's return on assets for the last four quarters was 7.02%, above the yield on 10-Year Treasuries, and it had a positive leverage contribution due to its 3.20% average cost of debt and 41.6% debt ratio. Only 1% of the REIT's debt matures within two years and 27% is at variable rates, indicating minimal refinancing concerns but some interest rate risk. Its interest coverage ratio for the last four quarters at 5.0X is relatively safe. Since inception the REIT has paid out 47% of MFFO in cash distributions excluding DRP, and this rate was 42% for the last four quarters, a sustainable cash distribution payout rate.

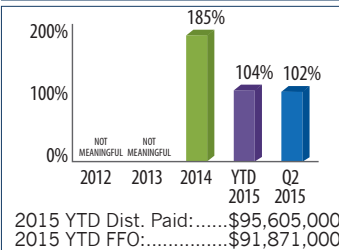
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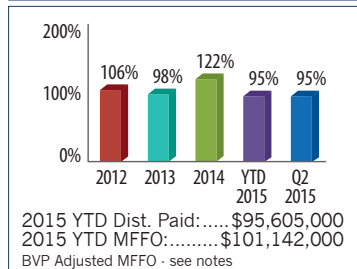
**Historical Distribution**



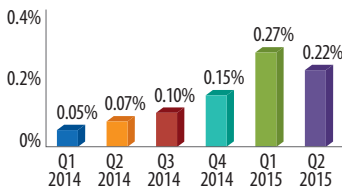
**Historical FFO Payout Ratio**



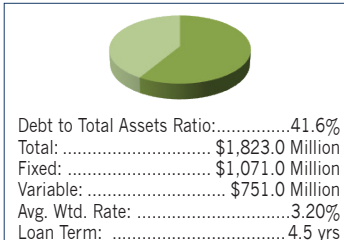
**Historical MFFO Payout Ratio**



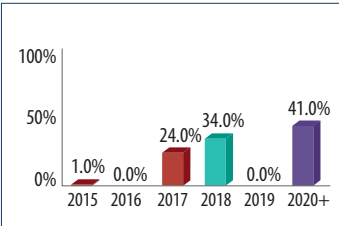
**Redemptions**



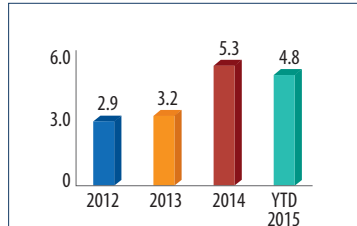
**Debt Breakdown**



**Debt Repayment Schedule**



**Interest Coverage Ratio**



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

- During the six months ended June 30, 2015, the Company acquired 69 commercial properties, including properties held in the Consolidated Joint Venture, for an aggregate purchase price of \$369.0 million.
- As of June 30, 2015, the Company had issued approximately 312.0 million shares of its common stock in the Offerings, including 14.7 million shares issued in the DRIP Offering, for gross offering proceeds of \$3.1 billion before organization and offering costs, selling commissions and dealer manager fees of \$306.0 million. As of June 30, 2015, the Company had redeemed approximately 2.7 million shares for \$26.3 million (at an average price per share of \$9.70).
- As of June 30, 2015, the Company owned 828 properties, which includes nine properties owned through a consolidated joint venture arrangement, comprising 22.3 million rentable square feet of commercial space located in 45 states. As of June 30, 2015, the rentable space at these properties was 98% leased. In addition, through an unconsolidated joint venture arrangement, as of June 30, 2015, the Company had an interest in one property comprising 176,000 rentable square feet of commercial space.
- The REIT's Cash to Total Assets ratio decreased to 0.6% as of 2Q 2015 compared to 14.4% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio increased to 41.6% as of 2Q 2015 compared to 22.5% as of 2Q 2014.
- The Company hedged \$600 million of its variable rate debt as of June 30, 2015.
- The Company did not report MFFO for 2Q 2015 in the 10-Q. The MFFO Payout Ratios reported above were estimated by Blue Vault based on IPA Guidelines and data provided by the REIT.
- During the six months ended June 30, 2015 and 2014, the Company paid distributions of \$95.6 million and \$82.4 million, respectively, including \$56.0 million and \$48.3 million, respectively, through the issuance of shares pursuant to the DRIP. Net cash provided by operating activities for the six months ended June 30, 2015 and 2014 was \$85.3 million and \$36.8 million, respectively, and reflected a reduction for real estate acquisition-related expenses incurred of \$9.3 million and \$18.7 million, respectively. The distributions paid during the six months ended June 30, 2015 were funded by net cash provided by operating activities of \$85.3 million, or 89%, and proceeds from the issuance of notes payable of \$10.3 million, or 11%.