UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to __________

Commission file number: 001-37390

Global Net Lease, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**45-2771978**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
405 Park Ave., 14 th Floor New York, NY	**10022**
(Address of principal executive offices)	(Zip Code)

(212) 415-6500

(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act: None

Securities registered pursuant to section 12(g) of the Act: Common stock, $0.01 par value per share (Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant submitted electronically and posted on its corporate Web Site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒		Accelerated filer ☐
Non-accelerated filer ☐	(Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant was $1.5 billion based on the closing sales price on the New York Stock Exchange as of June 30, 2015 , the last business day of the registrant's most recently completed second fiscal quarter.

On February 12, 2016 , the registrant had 168,936,633 shares of common stock outstanding .

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s proxy statement to be delivered to stockholders in connection with the registrant’s 2016 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K. The registrant intends to file its proxy statement within 120 days after its fiscal year end.

GLOBAL NET LEASE, INC.

FORM 10-K
Year Ended December 31, 2015

		Page
PART I		
Item 1.	Business	4
Item 1A.	Risk Factors	9
Item 1B.	Unresolved Staff Comments	33
Item 2.	Properties	34
Item 3.	Legal Proceedings	42
Item 4.	Mine Safety Disclosure	42
PART II		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	43
Item 6.	Selected Financial Data	49
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	50
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	65
Item 8.	Financial Statements and Supplementary Data	69
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	69
Item 9A.	Controls and Procedures	69
Item 9B.	Other Information	69
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	70
Item 11.	Executive Compensation	70
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	70
Item 13.	Certain Relationships and Related Transactions, and Director Independence	70
Item 14.	Principal Accounting Fees and Services	70
PART IV		
Item 15.	Exhibits and Financial Statement Schedules	71
Signatures		74

Financial statement schedules other than those listed above are omitted because the required information is given in the financial statements, including the notes thereto, or because the conditions requiring their filing do not exist.

Forward-Looking Statements

Certain statements included in this Annual Report on Form 10-K are forward-looking statements including statements regarding the intent, belief or current expectations of Global Net Lease, Inc. (the "Company," "we," "our" or "us"), formerly known as American Realty Capital Global Trust, Inc., and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

The following are some of the risks and uncertainties, although not all risks and uncertainties, that could cause our actual results to differ materially from those presented in our forward-looking statements:

- All of our executive officers are also officers, managers and/or holders of a direct or indirect controlling interest in Global Net Lease Advisors, LLC (the "Advisor") and other entities affiliated with AR Global Investments, LLC (the successor business to AR Capital LLC, "AR Global"). As a result, our executive officers, our Advisor and its affiliates face conflicts of interest, including significant conflicts created by our Advisor's compensation arrangements with us and other investment programs advised by AR Global affiliates and conflicts in allocating time among these investment programs and us. These conflicts could result in unanticipated actions.
- Because investment opportunities that are suitable for us may also be suitable for other AR Global- advised investment programs, our Advisor and its affiliates face conflicts of interest relating to the purchase of properties and other investments and such conflicts may not be resolved in our favor, which could reduce the investment return to our stockholders.
- We may be unable to pay or maintain cash dividends or increase dividends over time.
- We are obligated to pay fees which may be substantial to our Advisor and its affiliates.
- We depend on tenants for our rental revenue and, accordingly, our rental revenue is dependent upon the success and economic viability of our tenants.
- Increases in interest rates could increase the amount of our debt payments and limit our ability to pay dividends to our stockholders.
- We may be unable to raise additional debt or equity financing on attractive terms or at all.
- Adverse changes in exchange rates may reduce the value of our properties located outside of the United States.
- We may not generate cash flows sufficient to pay dividends to our stockholders, as such, we may be forced to borrow at unfavorable rates or depend on our Advisor to waive reimbursement of certain expense and fees to fund our operations. There is no assurance that our Advisor will waive reimbursement of expenses or fees.
- Any of these dividends may reduce the amount of capital we ultimately invest in properties and other permitted investments and negatively impact the value of our common stock.
- We are subject to risks associated with our international investments, including risks associated with compliance with and changes in foreign laws, fluctuations in foreign currency exchange rates and inflation.
- We are subject to risks associated with any dislocations or liquidity disruptions that may exist or occur in the credit markets of the United States of America and Europe from time to time.
- We may fail to continue to qualify, as a real estate investment trust for U.S. federal income tax purposes ("REIT"), which would result in higher taxes, may adversely affect operations and would reduce our NAV and cash available for dividends.
- We may be deemed to be an investment company under the Investment Company Act of 1940, as amended ("the Investment Company Act"), and thus subject to regulation under the Investment Company Act.
- We may be exposed to risks due to a lack of tenant diversity, investment types and geographic diversity.
- We may be exposed to changes in general economic, business and political conditions, including the possibility of intensified international hostilities, acts of terrorism, and changes in conditions of United States of America or international lending, capital and financing markets.

All forward-looking statements should be read in light of the risks identified in Part I, Item 1A of this annual report on Form 10-K.

PART I

Item 1. Business.

We were incorporated on July 13, 2011 as a Maryland corporation. We acquired our first property and commenced active operations in October 2012 and elected and qualified to be taxed as a REIT for U.S. federal income tax purposes beginning with our taxable year ended December 31, 2013. We completed our initial public offering ("IPO") on June 30, 2014 and on June 2, 2015 we listed our common stock ("Common Stock") on the New York Stock Exchange (the "NYSE") under the symbol "GNL" (the "Listing").

Our investment strategy is to acquire a diversified portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant net-leased commercial properties. As of December 31, 2015 , we owned 329 net leased commercial properties consisting of 18.7 million rentable square feet. Based on original purchase price, 60.4% of our properties are located in the United States (U.S.) and the Commonwealth of Puerto Rico, 20.8% are located in continental Europe and 18.8% are located in the United Kingdom. The properties were 100% leased, with a weighted average remaining lease term of 11.3 years.

In connection with the Listing, we offered to purchase up to 11.9 million of shares of our Common Stock at a price of $10.50 per share (the "Tender Offer"). As a result of the Tender Offer, on July 6, 2015 we purchased approximately 11.9 million shares of our Common Stock at a price of $10.50 per share, for an aggregate amount of $125.0 million , excluding fees and expenses relating to the Tender Offer and including fractional shares repurchased thereafter.

Substantially all of the Company's business is conducted through Global Net Lease Operating Partnership, L.P. (the "OP"). As of December 31, 2015 , the Advisor owned 1,461,753 units of limited partnership interests in the OP ("OP Units"), Moor Park Capital Partners LLP (the "Service Provider") held 347,903 OP Units and Global Net Lease Special Limited Partner, LLC (the "Special Limited Partner") held 22 OP Units. In accordance with the limited partnership agreement of the OP, a holder of OP Units has the right to convert OP Units for a corresponding number of shares of the Company's Common Stock or the cash value of those corresponding shares, at the Company's option. The remaining rights of the limited partner interests are limited and do not include the ability to replace the general partner or to approve the sale, purchase or refinancing of the OP's assets.

We are externally managed by our Advisor and our properties are managed and leased by Global Net Lease Properties, LLC (the "Property Manager"). The Advisor, Property Manager and Special Limited Partner are under common control with the parent of the AR Capital Global Holdings, LLC (the "Sponsor"), as a result of which they are related parties, and have received compensation, fees and expense reimbursements for various services provided to us and for the investment and management of our assets. The Advisor has retained the Service Provider to provide advisory and property management services with respect to investments in Europe, subject to the Advisor's oversight. These services include, among others, sourcing and structuring of investments, sourcing and structuring of debt financing, due diligence, property management and leasing. Realty Capital Securities, LLC (our "Former Dealer Manager") served as the dealer manager of our IPO, which was ongoing from October 2012 to June 2014 and, together with its affiliates, continued to provide us with various services through December 31, 2015. RCS Capital Corporation, the parent company of the Former Dealer Manager and certain of its affiliates that provided services to us, filed for Chapter 11 bankruptcy protection in January 2016, prior to which it was also under common control with AR Global, the parent of our Sponsor.

Investment Strategy

Our investment strategy is to acquire a portfolio of commercial properties that is diversified in terms of geography, industry, and tenants. We have made approximately 60.4% of our investments in the U.S. and the Commonwealth of Puerto Rico and 39.6% in the United Kingdom and Continental Europe. Approximately 54% of our investments are in office properties, 30% of our investments are in industrial/distribution properties, 15% of our investments are in retail properties and 1% of our properties are in other industries. No individual tenant accounted for more than 10% of our annualized rental income at December 31, 2015 .

We seek to:

- support a stable dividend by generating stable, consistent cash flow by acquiring properties with, or entering into new leases with, long lease terms;
- facilitate dividend growth by acquiring properties with, or entering into new leases with, contractual rent escalations or inflation adjustments included in the lease terms; and
- enhance the diversity of our asset base by continuously evaluating opportunities in different geographic regions of the U.S. and Europe, leveraging the market presence of our Advisor in the U.S. and our Service Provider in the United Kingdom and Continental Europe.

Acquisition and Investment Policies

Primary Investment Focus

We focus on acquisitions of net lease properties with existing net leases or we acquire properties pursuant to sale-leaseback transactions. We may in the future acquire or originate real estate debt such as first mortgage debt loans but may also include bridge loans, mezzanine loans, preferred equity or securitized loans. As of December 31, 2015 , we have not invested in any bridge loans, mezzanine loans, preferred equity or securitized loans.

As of December 31, 2015 , we owned 329 properties, including 272 properties located in the United States and Puerto Rico, 40 properties located in the United Kingdom and 17 properties located across continental Europe.

Investing in Real Property

When evaluating prospective investments in real property, our management, our Advisor and, with respect to foreign investments, our Service Provider, consider relevant real estate and financial factors, including the location of the property, the leases and other agreements affecting the property, the creditworthiness of major tenants, its income producing capacity, its physical condition, its prospects for appreciation, its prospects for liquidity, tax considerations and other factors. In this regard, our Advisor and our Service Provider have substantial discretion with respect to the selection of specific investments, subject to board approval.

The following table lists the tenants from which we derived more than 10% of our total annualized rental income on a straight-line basis for the years ended December 31, 2015 , 2014 and 2013 .

	December 31,		
Tenant	2015	2014	2013
Encanto Restaurants, Inc.	*	*	19.4%
Western Digital Corporation	*	*	14.6%
Thames Water Utilities Limited	*	*	11.7%

____

* Tenant's annualized rental income on a straight-line basis was not greater than 10% of total annualized rental income for all portfolio properties as of the period specified.

The termination, delinquency or non-renewal of leases by any major tenant may have a material adverse effect on revenues.

Opportunistic Investments

We believe that our Advisor’s and our Service Provider’s presence in the commercial real estate marketplace may present attractive opportunities to invest in properties other than long-term net leased properties, such as partially leased properties, multi-tenanted properties, vacant or undeveloped properties and properties subject to short-term net leases. In addition, we may acquire or originate investments in commercial real estate-related debt. Real estate-related debt investments include first mortgage loans, subordinated interests in first mortgage loans and mezzanine loans related to commercial real estate. We may also invest in real estate-related securities issued by real estate market participants such as real estate funds or other REITs. Real estate-related securities include commercial mortgage-backed securities ("CMBS"), preferred equity and other higher-yielding structured debt and equity investments. Investments in these opportunistic investments would be subject to maintaining the requirements for continued qualification as a REIT and the requirements for our exemption from the Investment Company Act of 1940. As of December 31, 2015 , we are not invested in any of these types of opportunistic investments.

Acquisition Structure

We acquire properties through the OP and its subsidiaries. We have acquired properties through assets purchases and through purchases of the equity of entities owning properties. We typically acquire fee interests in properties (a “fee interest” is the absolute, legal possession and ownership of land, property, or rights), although we have acquired six leasehold interest properties (a “leasehold interest” is a right to enjoy the exclusive possession and use of an asset or property for a stated definite period as created by a written lease).

We may enter into joint ventures, partnerships and other co-ownership arrangements (including preferred equity investments) for the purpose of making investments, provided these investments would not cause us to be required to register as an "investment company" under the Investment Company Act.

Financing Strategies and Policies

We have a revolving credit facility with JPMorgan Chase Bank. N.A. (the “Credit Facility”) providing for maximum borrowings of $740.0 million . As of December 31, 2015 , we have $717.3 million drawn on the Credit Facility. The Credit Facility bears interest at a floating rate and fixed rate borrowings after considering interest rate swaps in place (see Note 4 — Revolving Credit Facility to our audited consolidated financial statements in this Annual Report on Form 10-K for Credit Facility and interest rates details). In addition, we have various mortgage loans outstanding, which are secured by our properties. Our mortgage loans typically bear interest at margin plus a floating rate which is mostly fixed through interest rate swap agreements (see Note 5 — Mortgage Notes Payable to our audited consolidated financial statements in this Annual Report on Form 10-K for mortgage loans in respective currencies and interest rates details).

We may obtain additional financing for future investments, property improvements, tenant improvements, leasing commissions and other working capital needs. The form of our indebtedness will vary and could be long-term or short-term, secured or unsecured, or fixed-rate or floating rate. We will not enter into interest rate swaps or caps, or similar hedging transactions or derivative arrangements for speculative purposes but may do so in order to manage or mitigate our interest rate risks on variable rate debt.

Under our charter, the maximum amount of our total indebtedness may not exceed 300% of our total “net assets” (as defined in our charter) as of the date of any borrowing, which is generally expected to be approximately 75% of the cost of our investments; however, we may exceed that limit if approved by a majority of our independent directors and disclosed to stockholders in our next quarterly report following such borrowing along with justification for exceeding such limit. This charter limitation, however, does not apply to individual real estate assets or investments. As of December 31, 2015 , our aggregate borrowings are equal to 47.5% of the aggregate purchase price of assets.

Except with respect to the borrowing limits contained in our charter, we may reevaluate and change our financing policies without a stockholder vote. Factors that we would consider when reevaluating or changing our debt policy include: then-current economic conditions, the relative cost and availability of debt and equity capital, our expected investment opportunities, the ability of our investments to generate sufficient cash flow to cover debt service requirements and other similar factors.

Tax Status

We qualified to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our taxable year ended December 31, 2013. Commencing with such taxable year, we were organized and operate in such a manner as to qualify for taxation as a REIT under the Code. We intend to continue to operate in such a manner to continue to qualify as a REIT for U.S. federal income tax purposes, but no assurance can be given that we will operate in a manner so as to remain qualified as a REIT for U.S. federal income tax purposes. In order to continue to qualify for taxation as a REIT, we must, among other things, distribute annually at least 90% of our REIT taxable income. REITs are subject to a number of other organizational and operational requirements. Even if we continue to qualify for taxation as a REIT, we may be subject to certain federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income and state, local or foreign income, franchise, property and transfer taxes. Any of these taxes decrease our earnings and our available cash.

In addition, our international assets and operations, including those designated as direct or indirect qualified REIT subsidiaries or other disregarded entities of a REIT, continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted.

Competition

The commercial real estate market is highly competitive. We compete for tenants in all of our markets with other owners and operators of real estate. Factors affecting competition for tenants include location, rental rates, security, suitability of the property’s design to prospective tenants’ needs and the manner in which the property is operated and marketed. Competition may have a material effect on our occupancy levels, rental rates or on the operating expenses of our properties.

In addition, we compete with other entities engaged in real estate investment activities to locate suitable properties to acquire and to locate tenants and purchasers for our properties. These competitors include American Realty Capital Global Trust II, Inc., a REIT sponsored by our Sponsor with substantially the same investment strategy as us, other REITs, specialty finance companies, savings and loan associations, banks, mortgage bankers, insurance companies, mutual funds, institutional investors, investment banking firms, lenders, governmental bodies and other entities. There are also other REITs with asset acquisition objectives similar to ours and others may be organized in the future. Some of these competitors, including larger REITs, have substantially greater marketing and financial resources than we have and generally may be able to accept more risk than we can prudently manage, including risks with respect to the creditworthiness of tenants. In addition, these same entities seek financing through similar channels to our company. Therefore, we compete for financing in a market where funds for real estate investment may decrease.

Competition from these and other real estate investors may limit the number of suitable investment opportunities available to us. It also may result in higher prices, lower yields and a narrower spread of yields over our borrowing costs, making it more difficult for us to acquire new investments on attractive terms. In addition, competition for desirable investments could delay investments in desirable assets, which may in turn reduce our earnings per share and negatively affect our ability to maintain dividends to stockholders.

Regulations

Our investments are subject to various federal, state, local and foreign laws, ordinances and regulations, including, among other things, zoning regulations, land use controls, environmental controls relating to air and water quality, noise pollution and indirect environmental impacts such as increased motor vehicle activity. We believe that we have all permits and approvals necessary under current law to operate our investments.

Environmental

As an owner of real estate, we are subject to various environmental laws of federal, state and local governments and foreign governments at various levels. Compliance with existing laws has not had a material adverse effect on our financial condition or results of operations, and management does not believe it will have such an impact in the future. However, we cannot predict the impact of unforeseen environmental contingencies or new or changed laws or regulations on properties in which we hold an interest, or on properties that may be acquired directly or indirectly in the future. As part of our efforts to mitigate these risks, we typically engage third parties to perform assessments of potential environmental risks when evaluating a new acquisition of property, and we frequently require sellers to address them before closing or obtain contractual protection (indemnities, cash reserves, letters of credit, or other instruments) from property sellers, tenants, a tenant’s parent company, or another third party to address known or potential environmental issues.

Advisory Agreement

We have entered into the Fourth Amended and Restated Advisory Agreement (the “Advisory Agreement”) with our Advisor which adds clarity and transparency to our external management agreement and requires us to pay a base management fee (the “Base Management Fee”) of $18.0 million per annum, payable in cash monthly in advance, a variable fee (the “Incentive Compensation”) equal to 1.25% of net proceeds raised from additional equity issuances, including issuances of OP Units, and an incentive fee, payable 50% in cash and 50% in shares of common stock, equal to 15% of our Core AFFO (as defined in the Advisory Agreement) in excess of $0.78 per share plus 10% of our Core AFFO in excess of $1.02 per share. The $0.78 and $1.02 incentive hurdles are subject to annual increases of 1% to 3%. The Base Management Fee and the Incentive Compensation are each subject to an annual adjustment.

We reimburse the Advisor or its affiliates for expenses of the Advisor and its affiliates incurred on behalf of us, except for those expenses that are specifically the responsibility of the Advisor under the Advisory Agreement.

The Advisory Agreement has an initial term of 20 years with automatic renewals for consecutive 5-year terms unless terminated in accordance with the terms of the Advisory Agreement with payments of a termination fee of up to 2.5 times the compensation paid to the Advisor in the previous year, plus expenses.

Employees

As of December 31, 2015 , we had no employees. Instead, the employees of our Service Provider, Property Manager, Advisor and other affiliates of our Sponsor perform a full range of real estate services for us, including acquisitions, property management, accounting, legal, asset management, wholesale brokerage, transfer agent and investor relations services.

We are dependent on these third parties and affiliates for services that are essential to us, including asset acquisition decisions, property management and other general administrative responsibilities. In the event that any of these companies were unable to provide these services to us, we would be required to provide such services ourselves or obtain such services from other sources at potentially higher cost.

Financial Information About Industry Segments

Our current business consists of owning, managing, operating, leasing, acquiring, investing in and disposing of real estate assets. All of our consolidated revenues are derived from our consolidated real estate properties. We internally evaluate operating performance on an individual property level and view all of our real estate assets as one industry segment, and, accordingly, all of our properties are aggregated into one reportable segment.

Available Information

We electronically file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports, and proxy statements, with the SEC. We also filed with the SEC our Registration Statement in connection with our offering. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549, or you may obtain information by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet address at http://www.sec.gov that contains reports, proxy statements and information statements, and other information, which you may obtain free of charge. In addition, copies of our filings with the SEC may be obtained from the website maintained for us and our affiliates at www.globalnetlease.com. Access to these filings is free of charge. We are not incorporating our website or any information from the website into this Form 10-K.

Item 1A. Risk Factors

Risks Related to Our Properties and Operations

We have incurred operating losses and cannot assure you that we will achieve profitability.

Since our inception in July 2011, we have incurred cumulative net losses (calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP")) equal to $63.1 million . The extent of our future operating losses and the timing of the profitability are highly uncertain, and we may never achieve or sustain profitability.

Other than our revolving Credit Facility and borrowings secured by our properties, we do not have any established financing sources. If our capital resources are insufficient to support our operations, we will not be successful.

To be successful, we must, among other things:

- identify and acquire investments that further our investment strategies;
- attract, integrate, motivate and retain qualified personnel for the Advisor to manage our day-to-day operations;
- respond to competition for our targeted real estate properties and other investments as well as for potential investors; and
- continue to build and expand our operations structure to support our business.

We cannot guarantee that we will succeed in achieving these goals.

If our Advisor or our Service Provider loses or is unable to obtain key personnel, including in the event another AR Global -sponsored program internalizes its advisor, our ability to implement our investment strategies could be delayed or hindered, which could adversely affect our ability to pay dividends and the value of our Common Stock.

Our success depends to a significant degree upon the contributions of our executive officers and other key personnel of our Advisor and our Service Provider, each of whom would be difficult to replace. Neither we, our Advisor or our Service Provider has an employment agreement with any of these key personnel and we cannot guarantee that all, or any particular one, will remain affiliated with us or our Advisor or our Service Provider. If any of our key personnel were to cease their affiliation with our Advisor or our Service Provider, our operating results could suffer. Further, we do not intend to separately maintain key person life insurance on any person. We believe that our future success depends, in large part, upon the ability of our Advisor or our Service Provider to hire and retain highly skilled managerial, operational and marketing personnel. Competition for such personnel is intense, and there can be no assurance that our Advisor or our Service Provider will be successful in attracting and retaining such skilled personnel. If our Advisor our Service Provider loses or is unable to obtain the services of key personnel, our ability to implement our investment strategies could be delayed or hindered, and the value of an investment in our shares may decline.

In addition, our Advisor and our Service Provider depend upon the fees and other compensation that received from us to conduct its operations. Any adverse changes in the financial condition of, or our relationship with, our Advisor could hinder its ability to successfully manage our operations and our portfolio of investments. Additionally, changes in ownership or management practices, the occurrence of adverse events affecting our Advisor or its affiliates or other companies advised by our Advisor and its affiliates could create adverse publicity and adversely affect us and our relationship with lenders, tenants or counterparties.

We may terminate our advisory agreement with our Advisor in only limited circumstances, with payment of a termination fee.

On June 2, 2015, we entered into the Advisory Agreement with our Advisor. The agreement has a 20 year term, with automatic renewals for consecutive 5-year terms and may only be terminated under limited circumstances, such as a change in control of the Company or the Advisor, for cause, or for failure to meet performance standards in the prior year. This will make it difficult for us to renegotiate the terms of our advisory agreement or replace our Advisor even if the terms of our agreement are no longer consistent with the terms offered to other externally-managed REITs as the market for advisory services changes in the future.

During the year ended December 31, 2015 , we paid dividends from sources other than cash flows from operations.

Dividends paid from sources other than our cash flows from operations will result in us having fewer funds available for the acquisition of properties and other real estate-related investments, which may adversely affect our ability to fund future dividends and may adversely affect your overall return.

Our cash flows provided by operations were $102.2 million for the year ended December 31, 2015 . During the year ended December 31, 2015 , dividends paid to common stockholders and OP Unit holders were $127.0 million , of which $28.6 million , or 22.5% , was funded from offering proceeds from DRIP. The remaining $98.4 million , or 77.5% , was funded from cash flows from operations.

If we do not generate sufficient cash flows from our operations to fund dividends, we may have to reduce or suspend dividend payments, or pay dividends from other sources, such as from borrowings, the sale of additional securities, advances from our Advisor, and/or our Advisor's deferral, suspension and/or waiver of its fees and expense reimbursements. Moreover, our board of directors may change our dividend policy, in its sole discretion, at any time.

Funding dividends from borrowings could restrict the amount we can borrow for investments, which may affect our profitability. Funding dividends with the sale of assets or the proceeds from issuance of Common Stock may affect our ability to generate cash flows. Funding dividends from the sale of additional securities could dilute your interest in us if we sell shares of our Common Stock or securities that are convertible or exercisable into shares of our Common Stock to third party investors. Payment of dividends from the mentioned sources could restrict our ability to generate sufficient cash flows from operations, affect our profitability or affect the dividends payable to you upon a liquidity event, any or all of which may have an adverse effect on your investment.

Our rights and the rights of our stockholders to recover claims against our officers, directors and our Advisor are limited, which could reduce any recovery against them if they cause us to incur losses.

Maryland law provides that a director has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in the corporation's best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, subject to certain limitations set forth therein or under Maryland law, our charter provides that no director or officer will be liable to us or our stockholders for monetary damages and requires us to indemnify our directors, officers and Advisor and our Advisor's affiliates and permits us to indemnify our employees and agents. We have entered into an indemnification agreement formalizing our indemnification obligations with respect to our officers and directors and certain former officers and directors. However, our charter provides that we may not indemnify a director, our Advisor or an affiliate of our Advisor for any loss or liability suffered by any of them or hold harmless such indemnitee for any loss or liability suffered by us unless: (1) the indemnitee determined, in good faith, that the course of conduct that caused the loss or liability was in our best interests, (2) the indemnitee was acting on behalf of or performing services for us, (3) the liability or loss was not the result of (A) negligence or misconduct, in the case of a director (other than an independent director), the Advisor or an affiliate of the Advisor, or (B) gross negligence or willful misconduct, in the case of an independent director, and (4) the indemnification or agreement to hold harmless is recoverable only out of our net assets and not from our stockholders. Although our charter does not allow us to indemnify or hold harmless an indemnitee to a greater extent than permitted under Maryland law and the North American Securities Administrators Association REIT Guidelines, we and our stockholders may have more limited rights against our directors, officers, employees and agents, and our Advisor and its affiliates, than might otherwise exist under common law, which could reduce any recovery against them. In addition, we may be obligated to fund the defense costs incurred by our directors, officers, employees and agents or our Advisor and its affiliates in some cases which would decrease the cash otherwise available for dividend to stockholders.

We rely significantly on major tenants and therefore are subject to tenant credit concentrations that make us more susceptible to adverse events with respect to those tenants.

As of December 31, 2015 , we derived 5.0% or more of our consolidated annualized rental income on a straight-line basis from the following two major tenants and their affiliates:

Tenant	Number of Properties	December 31, 2015
Government Services Administration (GSA I - IX)	11	5.6%
RWE AG	3	5.0%

The financial failure of a major tenant is likely to have a material adverse effect on our results of operations and our financial condition. In addition, the value of our investment in a real estate asset is historically driven by the credit quality of the underlying tenant, and an adverse change in a major tenant's financial condition or a decline in the credit rating of such tenant may result in a decline in the value of our investments and have a material adverse effect on our results of operations.

A high concentration of our properties in a particular geographic area magnifies the effects of downturns in that geographic area and could have a disproportionate adverse effect on the value of our investments.

If we have a concentration of our properties in any particular geographic area, any adverse situation that disproportionately affects that geographic area would have a magnified adverse effect on our portfolio. As of December 31, 2015 , we derived 5.0% or more of our consolidated annualized rental income on a straight-line basis from the following countries and states:

Country	December 31, 2015
Finland	6.9%
Germany	9.0%
United Kingdom	19.2%
United States	
California	6.3%
Michigan	8.6%
Texas	11.5%
Total	61.5%

Any adverse situation that disproportionately affects the states and countries listed above may have a magnified adverse effect on our portfolio. Factors that may negatively affect economic conditions in these states or countries include:

- business lay offs, downsizing or relocations;
- industry slowdowns;
- changing demographics;
- increased telecommuting and use of alternative work places;
- infrastructure quality;
- any oversupply of, or reduced demand for, real estate;
- concessions or reduced rental rates under new leases for properties where tenants defaulted; and
- increased insurance premiums.

We are subject to additional risks from our international investments.

Based on original purchase price, approximately 60% of our properties are located in the U.S. and the Commonwealth of Puerto Rico and approximately 40% are in Europe, primarily in the United Kingdom, Germany, The Netherlands and Finland. We may purchase other properties and may make additional investments in Europe or elsewhere. These investments may be affected by factors peculiar to the laws and business practices of the jurisdictions in which the properties are located. These laws and business practices may expose us to risks that are different from and in addition to those commonly found in the United States. Foreign investments pose several risks, including the following:

- the burden of complying with a wide variety of foreign laws;
- changing governmental rules and policies, including changes in land use and zoning laws, more stringent environmental laws or changes in such laws;
- existing or new laws relating to the foreign ownership of real property or loans and laws restricting the ability of foreign persons or companies to remove profits earned from activities within the country to the person's or company's country of origin;
- the potential for expropriation;
- possible currency transfer restrictions;
- imposition of adverse or confiscatory taxes;
- changes in real estate and other tax rates and changes in other operating expenses in particular countries;
- possible challenges to the anticipated tax treatment of the structures that allow us to acquire and hold investments;
- adverse market conditions caused by terrorism, civil unrest and changes in national or local governmental or economic conditions;
- the willingness of domestic or foreign lenders to make loans in certain countries and changes in the availability, cost and terms of loan funds resulting from varying national economic policies;
- general political and economic instability in certain regions;
- the potential difficulty of enforcing obligations in other countries;

- our limited experience and expertise in foreign countries relative to our experience and expertise in the United States; and
- our dependence on the Service Provider.

Investments in properties or other real estate investments outside the United States subject us to foreign currency risks.

Investments we make outside the United States generally subject us to foreign currency risk due to fluctuations in exchange rates between foreign currencies and the U.S. dollar. Revenues generated from properties or other real estate investments we acquire are generally denominated in the local currency. We also may borrow in local currencies when we purchase properties outside the Unites States. As a result, changes in exchange rates of any such foreign currency to U.S. dollars may affect our revenues, operating margins and dividends and may also affect the book value of our assets and the amount of stockholders' equity.

Changes in foreign currency exchange rates used to value a REIT's foreign assets may be considered changes in the value of the REIT's assets. These changes may adversely affect our status as a REIT.

Foreign exchange rates may be influenced by many factors, including:

- changing supply and demand for a particular currency;
- monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or an investment by residents of a country in other countries);
- changes in balances of payments and trade;
- trade restrictions; and
- currency devaluations and revaluations.

Also, governments from time to time intervene in the currency markets, directly and by regulation, in order to influence prices. These events and actions are unpredictable. In particular, sovereign debt issues in Europe could lead to further significant, and potentially longer-term, devaluation of the Euro or British Pounds against the U.S. dollar, which could adversely impact our European investments and revenue, operating expenses, and net income related to such European investments as expressed in U.S. dollars.

If we are unsuccessful in hedging these, or any other potential losses related to our exposure to foreign currencies, our operating results could be negatively impacted and our cash flows could be reduced. In some cases, as part of our risk management strategies, we may choose not to hedge such risks. If we misjudge these risks, there could be a material adverse effect on our operating results and financial position.

The commercial real estate industry may be adversely affected by economic conditions in the European, U.S. and global financial markets generally.

Our business and operations are dependent on the commercial real estate industry generally, which in turn is dependent upon global economic conditions. Issues with the instability of credit and financial markets, actions by governments or central banks, weak consumer confidence in many markets and geopolitical or economic instability in certain countries continues to put pressure on European economies. Instability or volatility of certain countries in the European Union may create risks for stronger countries within the European Union and globally. Global economic and political headwinds, along with global market instability and the risk of maturing commercial real estate debt that may have difficulties being refinanced, may continue to cause periodic volatility in the commercial real estate market for some time. Adverse economic conditions could harm our business and financial condition by, among other factors, reducing the value of our existing investments, limiting our access to debt and equity capital and otherwise negatively impacting our operations.

Challenging economic and financial market conditions could significantly reduce the amount of income we earn on our investments and further reduce the value of our investments.

Challenging economic and financial market conditions may cause us to experience an increase in the number of investments that result in losses, including delinquencies, non-performing investments and a decrease in the value of our property, all of which could adversely affect our results of operations. We may incur substantial losses and need to establish significant provision for losses or impairment. Our revenue from our properties could diminish significantly.

Continuing concerns regarding European debt, market perceptions concerning the instability of the Euro and recent volatility and price movements in the rate of exchange between the U.S. dollar and the Euro could adversely affect our business, results of operations and financing.

Concerns persist regarding the debt burden of certain Eurozone countries and their potential inability to meet their future financial obligations, the overall stability of the Euro and the suitability of the Euro as a single currency, given the diverse economic and political circumstances in individual Eurozone countries and recent declines and volatility in the value of the Euro. These concerns could lead to the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the Euro currency entirely. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be uncertain. Such uncertainty would extend to, among other factors, whether obligations previously expressed to be owed and payable in Euros would be re-denominated in a new currency (with considerable uncertainty over the conversion rates), what laws would govern and which country’s courts would have jurisdiction. These potential developments, or market perceptions concerning these and related issues, could materially adversely affect the value of our Euro-denominated investments and obligations.

Furthermore, market concerns about economic growth in the Eurozone relative to the United States and speculation surrounding the potential impact on the Euro of a possible Greek or other country sovereign default and/or exit from the Eurozone may continue to exert downward pressure on the rate of exchange between the U.S. dollar and the Euro, which may adversely affect our results of operations.

Inflation may have an adverse effect on our investments.

Certain countries have in the past experienced extremely high rates of inflation. Inflation, along with governmental measures to curb inflation, coupled with public speculation about the possible future governmental measures to be adopted, has had significant negative effects on these international economies in the past and this could occur again in the future.

High inflation could cause our revenue from leases that do not contain indexed escalation provisions to decline and erode the value of long-term leases. High inflation in the countries in which we purchase real estate or make other investments could also increase our expenses, and we may not be able to pass these increased costs onto our tenants. An increase in our expenses or a decrease in our revenues could adversely impact our results of operations. As of December 31, 2015 , some of our leases for properties in foreign countries contain upward adjustments to fair market value every five years or contain capped indexed escalation provisions, but there can be no assurance that future leases on properties in foreign countries will contain such provisions or that such provisions will protect us from all potential adverse effects of inflation.

A high concentration of tenants of our properties in a similar industry magnifies the effects of downturns in that industry and would have a disproportionate adverse effect on the value of our investments.

If tenants of our properties are concentrated in a certain industry category, any adverse effect to that industry generally would have a disproportionately adverse effect on our portfolio. For the year ended December 31, 2015 , the following industries had concentrations of properties where annualized rental income on a straight-line basis represented 5.0% or greater of our consolidated annualized rental income on a straight-line basis:

Industry	December 31, 2015
Aerospace	7.0%
Discount Retail	8.8%
Energy	6.8%
Financial Services	9.8%
Freight	5.4%
Government Services	6.3%
Healthcare	6.8%
Technology	8.0%
Utilities	6.0%

Any adverse situation that disproportionately affects the industries listed above may have a magnified adverse effect on our portfolio.

Our business and operations could suffer in the event our Advisor or any other party that provides us with services essential to our operations, experiences system failures or cyber incidents or a deficiency in cyber security.

Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for the internal information technology systems of our Advisor and other parts that provide us with services essential to our operations are vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. Any system failure or accident that causes interruptions in our operations could results in a material disruption to our business. We may also incur additional costs to remedy damages caused by such disruptions.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include gaining unauthorized access to systems to disrupt operations, corrupt data or steal confidential information. As reliance on technology in our industry has increased, so have the risks posed to our systems, both internal and those we have outsourced. In addition, the risk of a cyber incident, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted attacks and intrusions evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected.

The remediation costs and lost revenues experienced by a victim of a cyber incident may be significant and significant resources may be required to repair system damage, protect against the threat of future security breaches or to alleviate problems, including reputational harm, loss of revenues and litigation, caused by any breaches.

In addition, a security breach or other significant disruption involving the IT networks and related systems of our Advisor or any other party that provides us with services essential to our operations could:

- result in misstated financial reports, violations of loan covenants, missed reporting deadlines and/or missed permitting deadlines;
- affect our ability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of, proprietary, confidential, sensitive or otherwise valuable information (including information about guests at our hotel or tenants), which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes;
- result in our inability to maintain the building systems relied upon by our tenants for the efficient use of their leased space;
- require significant management attention and resources to remedy any damages that result;
- subject us to claims for breach of contract, damages, credits, penalties or termination of leases or other agreements; or
- adversely impact our reputation among our tenants, guests at our hotel and investors generally.

Although our Advisor and other parties that provide us with services essential to our operations intend to continue to implement industry-standard security measures, there can be no assurance that those measures will be sufficient, and any material adverse effect experienced by our Advisor and other parties that provide us with services essential to our operations could, in turn, have an adverse impact on us.

Risks Related to Conflicts of Interest

Our Advisor and our Service Provider face conflicts of interest relating to the purchase and leasing of properties, and such conflicts may not be resolved in our favor, which could adversely affect our investment opportunities.

We rely on our Sponsor and the executive officers and other key real estate professionals at our Advisor and our Service Provider to identify suitable investment opportunities for us. Several of the other key real estate professionals of our Advisor are also the key real estate professionals at the parent of our Sponsor and their other public programs. Many investment opportunities that are suitable for us may also be suitable for other programs sponsored directly or indirectly by the parent of our Sponsor. For example, American Realty Capital Global Trust II, Inc. seeks, like us, to invest in a diversified portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant net-leased commercial properties, in the United States and Europe. The investment opportunity allocation agreement we have entered into with American Realty Capital Global Trust II, Inc. may result in us not being able to acquire certain properties identified by our Advisor and its affiliates. Thus, the executive officers and real estate professionals of our Advisor or our Service Provider could direct attractive investment opportunities to other entities or investors.

We and other programs sponsored directly or indirectly by the parent of our Sponsor also rely on these real estate professionals, and our Service Provider, to supervise the property management and leasing of properties. Our executive officers and key real

estate professionals, and our Sponsor and our Service Provider, are not prohibited from engaging, directly or indirectly, in any business or from possessing interests in other business venture or ventures, including businesses and ventures involved in the acquisition, development, ownership, leasing or sale of real estate investments.

Our Advisor faces conflicts of interest relating to joint ventures, which could result in a disproportionate benefit to the other venture partners at our expense and adversely affect the value of our Common Stock.

We may enter into joint ventures with other AR Global-sponsored programs for the acquisition, development or improvement of properties. Our Advisor may have conflicts of interest in determining which AR Global-sponsored program should enter into any particular joint venture agreement. The co-venturer may have economic or business interests or goals that are or may become inconsistent with our business interests or goals. In addition, our Advisor may face a conflict in structuring the terms of the relationship between our interests and the interest of the affiliated co-venturer and in managing the joint venture. Because our Advisor and its affiliates will control both the affiliated co-venturer and, to a certain extent, us, agreements and transactions between the co-venturers with respect to any such joint venture will not have the benefit of arm's-length negotiation of the type normally conducted between unrelated co-venturers, which may result in the co-venturer receiving benefits greater than the benefits that we receive. In addition, we may assume liabilities related to the joint venture that exceeds the percentage of our investment in the joint venture.

Our officers and directors face conflicts of interest related to the positions they hold with related parties, which could hinder our ability to successfully implement our business strategy and to generate returns to you.

Certain of our executive officers, including Scott Bowman, chief executive officer and president, and Timothy Salvemini, chief financial officer, treasurer and secretary, also are officers of our Advisor, our Property Manager and other related parties, including the advisor and property manager of American Realty Capital Global Trust II, Inc., which is a non-traded REIT sponsored by the parent of our Sponsor that has investment objectives similar to ours. Our directors also are directors of other traded and non-traded REITs sponsored by the parent of our Sponsor. As a result, these individuals 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.

These conflicting duties could result in actions or inactions that are detrimental to our business. 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 entities sponsored by or affiliated with our Sponsor, (c) the timing and terms of the investment in or sale of an asset, (d) development of our properties by affiliates of our Sponsor, (e) investments with affiliates of our Advisor, and (f) compensation to our Advisor and its affiliates including our Property Manager.

Moreover, the management of multiple REITs by certain of the officers and other key personnel of our Advisor may significantly reduce the amount of time they are able to spend on activities related to us, which may cause our operating results to suffer.

Our Advisor and our Service Provider face conflicts of interest relating to the structure of the fees they receive, which could result in actions that are not necessarily in the long-term best interest of our stockholders.

Under our Advisory Agreement, the partnership agreement of our OP, and the OPP (as described in " Item 5 . Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities-Share-Based Compensation-Multi-Year Outperformance Agreement"), our Advisor is entitled to substantial minimum compensation regardless of performance. Further, because our Advisor does not maintain a significant equity interest in us and is entitled to receive fees and earn LTIP Units (as described in " Item 5 . Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities-Share-Based Compensation-Multi-Year Outperformance Agreement") based on performance, our Advisor may be incentivized to recommend investments that are riskier or more speculative than investments recommended by an advisor whose interests are more aligned with those of stockholders.

Risks Related to Our Corporate Structure and Common Stock

We may be unable to pay or maintain cash dividends to our stockholders or increase dividends over time, which could adversely affect the return on an investment in our shares.

There are many factors that can affect the availability and timing of cash dividends to stockholders. Dividends are based principally on cash available from our operations. The amount of cash available for dividends is affected by many factors, such as, rental income from our properties and our operating expense levels, as well as many other variables. Actual cash available for dividends may vary substantially from estimates. We cannot give any assurance that we will be able to pay or maintain our current level of dividends or that dividends will increase over time. We also cannot give any assurance that rents from our properties will increase, or that future acquisitions of properties, real estate-related debt or real estate-related securities will increase our cash available for dividends to stockholders. Our actual results may differ significantly from the assumptions used by our board of directors in establishing the dividend rate to stockholders.

Moreover, our failure to meet the market's expectations with regard to future earnings and cash dividends likely would adversely affect the market price of our Common Stock.

The trading price of our Common Stock has declined and may continue to decline.

The trading price of our Common Stock is impacted by a number of factors, many of which are outside our control. Among the factors that could affect the price of our Common Stock are:

- our financial condition and performance;
- the financial condition of our tenants, including the extent of tenant bankruptcies or defaults;
- actual or anticipated quarterly fluctuations in our operating results and financial condition;
- our dividend policy;
- the reputation of REITs and real estate investments generally and the attractiveness of REIT equity securities in comparison to other equity securities, including securities issued by other real estate companies, and fixed income securities;
- our reputation and the reputation of our Sponsor, its affiliates or entities sponsored by our Sponsor;
- uncertainty and volatility in the equity and credit markets;
- fluctuations in interest rates;
- changes in revenue or earnings estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REITs;
- failure to meet analysts' revenue or earnings estimates;
- speculation in the press or investment community;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- the extent of institutional investor interest in us;
- the extent of short-selling of our Common Stock;
- general financial and economic market conditions and, in particular, developments related to market conditions for REITs and other real estate related companies;
- domestic and international economic factors unrelated to our performance; and
- all other risk factors addressed elsewhere in this Annual Report on the Form 10-K.

We depend on our OP and its subsidiaries for cash flow and are structurally subordinated in right of payment to the obligations of our OP and its subsidiaries.

Our only significant asset is the partnership interest we own in our OP. We conduct, and intend to continue conducting, all of our business operations through our OP. Accordingly, our only source of cash to pay our obligations is dividends from our OP and its subsidiaries. The limited partnership units of the OP Units held by our Advisor, the Service Provider and their respective affiliates are also entitled to distributions from the OP in the same amount as shares of Common Stock. Until such time as the LTIP Units held by our Advisor are fully earned in accordance with the provisions of the OPP, the LTIP Units are entitled to dividends equal to 10% of the dividends made on the OP Units. After the LTIP Units are fully earned, they are entitled to a catch-up distribution and then receive the same distribution as the OP Units.

There is no assurance that our OP or its subsidiaries will be able to, or be permitted to, pay dividends to us that will enable us to pay dividends to our stockholders, holders of OP Units and holders of LTIP Units from cash flows from operations or otherwise pay any other obligations. Each of our OP's subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from these entities. In addition, any claims we may have will be structurally subordinated to all existing and future liabilities and obligations of our operating partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our OP and its subsidiaries will be available to satisfy the claims of our creditors or to pay dividends to our stockholders only after all the liabilities and obligations of our OP and its subsidiaries have been paid in full.

A stockholder's interest in us will be diluted if we issue additional shares, which could adversely affect the value of our Common Stock.

Existing stockholders do not have preemptive rights to any shares issued by us in the future. Our charter currently authorizes us to issue 350 million shares of stock, of which 300 million shares are classified as Common Stock and 50 million are classified as preferred stock. Our board of directors may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of stock, or the number of authorized shares of any class or series of stock, or may classify or reclassify any unissued shares into the classes or series of stock without the necessity of obtaining stockholder approval. All of our shares may be issued in the discretion of our board of directors. Existing stockholders will suffer dilution of their equity investment in us, if we: (a) sell additional shares of our Common Stock, including pursuant to stock awards granted to our officers and directors; (b)

sell securities that are convertible into shares of our Common Stock; or (c) issue shares to our Advisor or its affiliates, successors or assigns, in payment of an outstanding fee obligation as set forth under our Advisory Agreement or other agreements.

In addition, we may issue shares of our Common Stock in connection with an exchange of OP Units and earnings of LTIP Units. As of December 31, 2015 , the Advisor and its affiliates, including certain of our current and former directors and executive officers, owned 1,809,678 OP Units, representing 1.1% of our fully diluted Common Stock outstanding. After owning an OP Unit for one year, OP Unit holders generally may, subject to certain restrictions, exchange OP Units for the cash value of a corresponding number of shares of our Common Stock or a corresponding number of shares of our Common Stock, at the Company's option. As of December 31, 2015 , no LTIP Units have been earned. LTIP Units are convertible into OP Units subject to being earned and vested and several other conditions. We may also issue OP Units to sellers of properties acquired by us.

If we issue preferred stock, the holders thereof will, upon liquidation, be entitled to receive distributions of liquidation proceeds prior to dividend to the holders of our Common Stock. Additionally, any preferred stock including convertible preferred stock or other securities convertible, exercisable or exchangeable for Common Stock that we issue in the future may have rights, preferences and privileges more favorable than those of our Common Stock and will result in dilution to owners of our Common Stock if converted, exercised or exchanged for Common Stock. Any preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments that could limit our ability pay dividends to the holders of our Common Stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the value of our Common Stock and diluting the interest of existing stockholders.

The limit on the number of shares a person may own may discourage a takeover that could otherwise result in a premium price to our stockholders.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our board of directors, no person may own more than 9.8% in value of the aggregate of the outstanding shares of our stock or more than 9.8% (in value or in number of shares, whichever is more restrictive) of any class or series of shares of our stock. This restriction may have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all our assets) that might provide a premium price for holders of our Common Stock.

Our charter permits our board of directors to issue stock with terms that may subordinate the rights of common stockholders or discourage a third party from acquiring us in a manner that might result in a premium price to our stockholders.

Our charter permits our board of directors to issue up to 350.0 million shares of stock. In addition, our board of directors, without any action by our stockholders, may amend our charter from time to time to increase or decrease the aggregate number of shares or the number of shares of any class or series of stock that we have authority to issue. Our board of directors may classify or reclassify any unissued Common Stock or preferred stock and establish the preferences, conversion or other rights, voting powers, restrictions and limitations as to dividends or other dividends, qualifications and terms or conditions of redemption of any such stock. Thus, our board of directors could authorize the issuance of preferred stock with terms and conditions that could have a priority as to dividends and amounts payable upon liquidation over the rights of the holders of our Common Stock. Preferred stock could also have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all our assets) that might provide a premium price for holders of our Common Stock.

We disclose Funds from Operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), Core Funds from Operations ("Core FFO") and Adjusted Funds from Operations ("AFFO"). These are non-GAAP financial measures and are not equivalent to our net income or loss as determined under GAAP, and stockholders should consider GAAP measures to be more relevant to our operating performance.

We use and disclose FFO, as defined by NAREIT, Core FFO and AFFO. All of these are non-GAAP measures and none of them are equivalent to our net income or loss or cash flow from operations as determined under GAAP. Stockholders should consider GAAP measures to be more relevant to evaluating our operating performance or our ability to pay dividends. FFO, Core FFO and AFFO and GAAP net income differ because FFO, Core FFO and AFFO exclude gains or losses from sales of property and asset impairment write-downs, and add back depreciation and amortization, adjusts for unconsolidated partnerships and joint ventures, and further excludes acquisition-related expenses, amortization of above- and below-market leases, fair value adjustments of derivative financial instruments, deferred rent receivables and the adjustments of such items related to noncontrolling interests. Because of these differences, FFO, Core FFO and AFFO may not be accurate indicators of our operating performance, especially with respect to the impact of acquisition expenses. FFO, Core FFO and AFFO are not necessarily indicative of cash flow available to fund cash needs and stockholders should not consider FFO, Core FFO and AFFO as alternatives to cash flows from operations as an indication of our liquidity, or indicative of funds available to fund our cash needs, including our ability to pay dividends to our stockholders.

Maryland law prohibits certain business combinations, which may make it more difficult for us to be acquired and may discourage a takeover that could otherwise result in a premium price to our stockholders.

Under Maryland law, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which he or she otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares. The business combination statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors prior to the time that the interested stockholder becomes an interested stockholder. Pursuant to the statute, our board of directors has exempted any business combination involving our Advisor or any affiliate of our Advisor. Consequently, the five-year prohibition and the super-majority vote requirements will not apply to business combinations between us and our Advisor or any affiliate of our Advisor. As a result, our Advisor and any affiliate of our Advisor may be able to enter into business combinations with us that may not be in the best interest of our stockholders, without compliance with the super-majority vote requirements and the other provisions of the statute. The business combination statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Maryland law limits the ability of a third-party to buy a large stake in us and exercise voting power in electing directors, which may discourage a takeover that could otherwise result in a premium price to our stockholders.

The Maryland Control Share Acquisition Act provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights except to the extent approved by stockholders by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. Shares of stock owned by the acquirer, by officers or by employees who are directors of the corporation, are excluded from shares entitled to vote on the matter. "Control shares" are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer can exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within specified ranges of voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A "control share acquisition" means the acquisition of issued and outstanding control shares. The control share acquisition statute does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation. Our bylaws contain a provision exempting from the Maryland Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Our stockholders' investment return may be reduced if we are required to register as an investment company under the Investment Company Act.

We are not registered, and do not intend to register ourselves or any of our subsidiaries, as an investment company under the Investment Company Act. If we become obligated to register ourselves or any of our subsidiaries as an investment company, the registered entity would have to comply with a variety of substantive requirements under the Investment Company Act imposing, among other things:

- limitations on capital structure;
- restrictions on specified investments;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations.

We conduct, and intend to continue conducting, our operations, directly and through wholly or majority-owned subsidiaries, so that we and each of our subsidiaries are exempt from registration as an investment company under the Investment Company Act. Under Section 3(a)(1)(A) of the Investment Company Act, a company is an “investment company” if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. Under Section 3(a)(1)(C) of the Investment Company Act, a company is deemed to be an “investment company” if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire “investment securities” having a value exceeding 40% of the value of its total assets (exclusive of government securities and cash items) on an unconsolidated basis, or the 40% test. “Investment securities” excludes U.S. Government securities and securities of majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

Because we are primarily engaged in the business of acquiring real estate, we believe that we and most, if not all, of our wholly and majority-owned subsidiaries will not be considered investment companies under either Section 3(a)(1)(A) or Section 3(a)(1)(C) of the Investment Company Act. If we or any of our wholly or majority-owned subsidiaries would ever inadvertently fall within one of the definitions of “investment company,” we intend to rely on the exception provided by Section 3(c)(5)(C) of the Investment Company Act.

Under Section 3(c)(5)(C), the SEC staff generally requires us to maintain at least 55% of our assets directly in qualifying assets and at least 80% of the entity’s assets in qualifying assets and in a broader category of real estate-related assets to qualify for this exception. Mortgage-related securities may or may not constitute such qualifying assets, depending on the characteristics of the mortgage-related securities, including the rights that we have with respect to the underlying loans. Our ownership of mortgage-related securities, therefore, is limited by provisions of the Investment Company Act and SEC staff interpretations.

The method we use to classify our assets for purposes of the Investment Company Act will be based in large measure upon no-action positions taken by the SEC staff in the past. These no-action positions were issued in accordance with factual situations that may be substantially different from the factual situations we may face, and a number of these no-action positions were issued more than ten years ago. No assurance can be given that the SEC staff will concur with our classification of our assets. In addition, the SEC staff may, in the future, issue further guidance that may require us to re-classify our assets for purposes of qualifying for an exclusion from regulation under the Investment Company Act. If we are required to re-classify our assets, we may no longer be in compliance with the exclusion from the definition of an “investment company” provided by Section 3(c)(5)(C) of the Investment Company Act.

A change in the value of any of our assets could cause us or one or more of our wholly or majority-owned subsidiaries to fall within the definition of “investment company” and negatively affect our ability to maintain our exemption from regulation under the Investment Company Act. To avoid being required to register the Company or any of its subsidiaries as an investment company under the Investment Company Act, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional income- or loss-generating assets that we might not otherwise have acquired or may have to forgo opportunities to acquire interests in companies that we would otherwise want to acquire and would be important to our investment strategy.

If we were required to register the Company as an investment company but failed to do so, we would be prohibited from engaging in our business, and civil actions could be brought against us. In addition, our contracts would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of us and liquidate our business.

Rapid changes in the values of our investments in real estate-related investments may make it more difficult for us to maintain our continued qualification as a REIT and our exception from the Investment Company Act.

If the market value or income generated by our real estate-related investments declines, including as a result of increased interest rates, or other factors, we may need to increase our real estate investments and income or liquidate our non-qualifying assets in order to maintain our REIT qualification or our exception from registration under the Investment Company Act. If the decline in real estate asset values or income occurs quickly, this may be especially difficult to accomplish. This difficulty may be exacerbated by the illiquid nature of any non-real estate assets that we may own. We may have to make investment decisions that we otherwise would not make absent REIT and Investment Company Act considerations.

Our board of directors may change our investment policies without stockholder approval, which could alter the nature of our portfolio.

Our charter requires that our independent directors review our investment policies at least annually to determine that the policies we are following are in the best interest of the stockholders. These policies may change over time. The methods of implementing our investment policies also may vary, as new real estate development trends emerge and new investment techniques are developed. Our investment policies, the methods for their implementation, and our other objectives, policies and procedures may be altered by our board of directors without the approval of our stockholders. As a result, the nature of a stockholder's investment could change without the consent of stockholders.

Payment of fees to our Advisor and Service Provider and their affiliates reduces cash available for investment and dividends to our stockholders.

Our Advisor and Service Provider and their affiliates perform services for us in connection with the selection and acquisition of our investments, the management of our properties, the servicing of our debt, and the administration of our investments. They are paid substantial fees for these services.

Risks Related to Net Lease Sale-Leaseback Investments

The inability of a tenant in a single tenant property to pay rent will materially reduce our revenues.

Substantially all of our properties are occupied by a single tenant and, therefore, the success of our investments is materially dependent on the financial stability of these individual tenants. A default of a tenant on its lease payments to us would cause us to lose the revenue from the property and cause us to have to find an alternative source of revenue to meet any mortgage payment and prevent a foreclosure if the property is subject to a mortgage. In the event of a default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and reletting our property. If a lease is terminated, there is no assurance that we will be able to lease the property for the rent previously received or sell the property without incurring a loss. A default by a tenant, the failure of a guarantor to fulfill its obligations or other premature termination of a lease, or a tenant’s election not to extend a lease upon its expiration, could have an adverse effect on our financial condition and our ability to pay dividends.

Adverse conditions affecting geographic areas, industries or property categories in which we have a concentration of investments would have a disproportionately adverse effect on the value of our investments.

Any adverse conditions affecting geographic areas in which we have a concentration of investments would have a disproportionately adverse effect on our portfolio. Similarly, if tenants of our properties are concentrated in a certain industry or property category, any adverse effect to that industry or category generally would have a disproportionately adverse effect on our portfolio. As of December 31, 2015 , based on original purchase price, 60.4% of our properties are located in the U.S. and Commonwealth of Puerto Rico and 39.6% are in Europe. At December 31, 2015 , our directly owned real estate properties contain significant concentrations in the following asset types: office (54%), industrial/distribution (30%), retail (15%) and other (1%).

If a sale-leaseback transaction is recharacterized in a tenant’s bankruptcy proceeding, our financial condition and ability to pay dividends to you could be adversely affected.

We may enter into sale-leaseback transactions whereby we would purchase a property and then lease the same property back to the person from whom we purchased it. In the event of the bankruptcy, the transaction may be re-characterized as either a financing or a joint venture. If the sale-leaseback was re-characterized as a financing, we might not be considered the owner of the property, and as a result would have the status of a creditor, not a property owner, in relation to the tenant. In that event, we would no longer have the right to sell or encumber our ownership interest in the property. Instead, we would have a claim against the tenant for the amounts owed under the lease. The tenant/debtor might have the ability to propose a plan restructuring the term, interest rate and amortization schedule of its outstanding balance. If such a plan is confirmed by the bankruptcy court, we could be bound by the new terms. If the sale-leaseback were characterized as a joint venture, our lessee and we could be treated as co-venturers with regard to the property. As a result, we could be held liable, under some circumstances, for debts incurred by the lessee relating to the property.

Highly leveraged tenants may have a higher possibility of filing for bankruptcy or insolvency.

Highly leveraged tenants that experience downturns in their operating results due to adverse changes to their business or economic conditions may have a higher possibility of filing for bankruptcy or insolvency. In bankruptcy or insolvency, a tenant may have the option of vacating a property instead of paying rent. Until such a property is released from bankruptcy, our revenues may be reduced.

If a tenant declares bankruptcy or becomes insolvent, we may be unable to collect balances due under relevant leases.

Any of our tenants, or any guarantor of a tenant’s lease obligations, could become insolvent or be subject to a bankruptcy proceeding pursuant to Title 11 of the bankruptcy laws of the United States. A bankruptcy filing of our tenants or any guarantor of a tenant’s lease obligations would bar all efforts by us to collect pre-bankruptcy debts from these entities or their properties, unless we receive an enabling order from the bankruptcy court. If a lease is assumed, all pre-bankruptcy balances owing under it must be paid in full. If a lease is rejected by a tenant in bankruptcy, we would have a general unsecured claim for damages. If a lease is rejected, it is unlikely we would receive any payments from the tenant because our claim is capped at the rent reserved under the lease, without acceleration, for the greater of one year or 15% of the remaining term of the lease, but not greater than three years, plus rent already due but unpaid. This claim could be paid only if funds were available, and then only in the same percentage as that realized on other unsecured claims.

A tenant or lease guarantor bankruptcy could delay efforts to collect past due balances under the relevant leases, and could ultimately preclude full collection of these sums. A tenant or lease guarantor bankruptcy could cause a decrease or cessation of rental payments that would mean a reduction in our cash flow and the amount available for dividends to our stockholders. In the event of a bankruptcy, there can be no assurance that the tenant or its trustee will assume our lease.

The credit profile of our tenants may create a higher risk of lease defaults and therefore lower revenues.

27.4% of our tenants are not evaluated or ranked by credit rating agencies, or are ranked below "investment grade". Our long-term leases with certain of these tenants may therefore pose a higher risk of default than would long-term leases with tenants whose credit potential has already been recognized by the market.

Net leases may not result in fair market lease rates over time, which could negatively impact our income.

As of December 31, 2015 , all of our rental income was generated from net leases, which generally provide the tenant greater discretion in using the leased property than ordinary property leases, such as the right to freely sublease the property, to make alterations in the leased premises and to terminate the lease prior to its expiration under specified circumstances.

Long term leases may result in income lower than short term leases.

We generally seek to enter into long term leases with our tenants. As of December 31, 2015 , 44% of our annualized rental income was generated from net leases, with remaining lease term of more than 10 years. Leases of long duration, or with renewal options that specify a maximum rate increase, may not result in fair market lease rates over time if we do not accurately judge the potential for increases in market rental rates.

Certain of our leases do not contain any rent escalation provisions. As a result, our income may be lower than it would otherwise be if we did not lease properties through long term leases. Further, if our properties are leased for long term leases at below market rental rates, our properties will be less attractive to potential buyers, which could affect our ability to sell the property at an advantageous price.

General Risks Related to Investments in Real Estate

Our operating results are affected by economic and regulatory changes that have an adverse impact on the real estate market in general. These changes affect our profitability and ability to realize growth in the value of our real estate properties.

Our operating results are subject to risks generally incident to the ownership of real estate, including:

- changes in general economic and local economic conditions;
- changes in supply of and demand for, similar or competing properties in the areas in which our properties are located;
- changes in interest rates and availability of debt financing; and
- changes in tax, real estate, environmental and zoning laws

These and other factors may affect the profitability and the value of our properties.

Properties that have vacancies for a significant period of time could be difficult to sell, which could diminish the return on your investment.

A property may experience vacancies either by the continued default of tenants under their leases or the expiration of tenant leases. Properties that are vacant will produce no revenue, and the cost of owning the property may be substantial. Vacancies will result in less cash being available to be distributed to stockholders. In addition, because properties' market values depend principally upon the value of the properties' leases, the resale value of properties with prolonged vacancies would be lower.

We generally obtain only limited warranties when we purchase a property and therefore have only limited recourse if our due diligence does not identify any issues that lower the value of our property, which could adversely affect our financial condition and ability to pay dividends to you.

We have acquired, and may continue to acquire, properties in "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property as well as the loss of rental income from that property.

We may be unable to secure funds for future tenant improvements or capital needs, which could impact the value of the applicable property or our ability to lease the applicable property on favorable terms.

If a tenant does not renew its lease or otherwise vacate its space, we likely will be required to expend substantial funds for tenant improvements and tenant refurbishments to the vacated space. In addition, we will likely be responsible for any major structural repairs, such as repairs to the foundation, exterior walls and rooftops, even if our leases with tenants require tenants to pay routine property maintenance costs. We will have to obtain financing from sources, such as cash flow from operations, borrowings, property sales or future equity offerings to fund these capital requirements. These sources of funding may not be available on attractive terms or at all. If we cannot procure additional funding for capital improvements, the value of the applicable property or our ability to lease the applicable property on favorable terms could be adversely impacted.

We may not be able to sell a property when we desire to do so.

The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond our control. In addition, we may not have funds available to correct defects or make improvements that are necessary or desirable before the sale of a property. We cannot predict whether we will be able to sell any property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. In addition, our ability to sell properties that have been held for less than two years is limited as any gain recognized on the sale or other disposition of such property could be subject to the 100% prohibited transaction tax, as discussed in more detail below.

We may acquire or finance properties with lock-out provisions which may prohibit us from selling a property, or may require us to maintain specified debt levels for a period of years on some properties.

Lock-out provisions could materially restrict us from selling or otherwise disposing of or refinancing properties. Lock out provisions may prohibit us from reducing the outstanding indebtedness with respect to any properties, refinancing such indebtedness on a non-recourse basis at maturity, or increasing the amount of indebtedness with respect to such properties. Lock-out provisions could impair our ability to take other actions during the lock-out period that could be in the best interests of our stockholders. In particular, lock-out provisions could preclude us from participating in major transactions that could result in a disposition of our assets or a change in control.

Rising expenses could reduce cash flow and could adversely affect our ability to make future acquisitions.

Any properties that we own now or buy in the future are and will be subject to operating risks common to real estate in general, any or all of which may negatively affect us. If any property is not fully occupied or if rents are being paid in an amount that is insufficient to cover operating expenses, we could be required to expend funds with respect to that property for operating expenses. The properties will be subject to increases in tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses. Renewals of leases or future leases may not be negotiated on that basis, in which event we may have to pay those costs. If we are unable to lease properties on a triple-net-lease basis or on a basis requiring the tenants to pay all or some of such expenses, or if tenants fail to pay required tax, utility and other impositions, we could be required to pay those costs which would, among other things, adversely affect funds available for future acquisitions.

Losses relating to real property or excessively expensive premiums for insurance coverage, including due to the non renewal of the Terrorism Risk Insurance Act of 2002 ("TRIA"), could reduce our cash flows and the return on our stockholders' investments.

There are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters, that are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. Insurance risks associated with such catastrophic events could sharply increase the premiums we pay for coverage against property and casualty claims.

This risk is particularly relevant with respect to potential acts of terrorism. The TRIA, under which the U.S. federal government bore a significant portion of insured losses caused by terrorism, will expire on December 31, 2020, and there can be no assurance that Congress will act to renew or replace the TRIA following its expiration. In the event the TRIA is not renewed or replace, terrorism insurance may become difficult or impossible to obtain at reasonable costs or at all, which may result in adverse impacts and additional costs to us.

Changes in the cost or availability of insurance due to the non-renewal of the TRIA or for other reasons could expose us to uninsured casualty losses. If any of our properties incurs a casualty loss that is not fully insured, the value of our assets will be reduced by any such uninsured loss, which may reduce the value of our stockholders' investments. In addition, other than any working capital reserve or other reserves we may establish, we have no source of funding to repair or reconstruct any uninsured property. Also, to the extent we must pay unexpectedly large amounts for insurance, we could suffer reduced earnings that would result in lower dividends to you.

Additionally, mortgage lenders in some cases have begun to insist that commercial property owners purchase specific coverage against terrorism as a condition for providing mortgage loans. It is uncertain whether such insurance policies will be available, or available at reasonable cost, which could inhibit our ability to finance or refinance our potential properties. In these instances, we may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. We may not have adequate, or any, coverage for such losses. The Terrorism Risk Insurance Act of 2002, which was extended to the end of 2020 by the Terrorism Risk Insurance Program Reauthorization Act of 2015, is designed for a sharing of terrorism losses between insurance companies and the federal government. We cannot be certain how this act will impact us or what additional cost to us, if any, could result. If such an event damaged or destroyed one or more of our properties, we could lose both our invested capital and anticipated profits from such property.

Real estate-related taxes may increase and if these increases are not passed on to tenants, our income will be reduced.

Some local real property tax assessors may seek to reassess some of our properties as a result of our acquisition of the property. Generally, from time to time our property taxes increase as property values or assessment rates change or for other reasons deemed relevant by the assessors. An increase in the assessed valuation of a property for real estate tax purposes will result in an increase in the related real estate taxes on that property. There is no assurance that renewal leases or future leases will be negotiated on the same basis. Increases not passed through to tenants will adversely affect our income.

Our properties and our tenants may face competition that may affect tenants' ability to pay rent.

Our properties typically are, and we expect properties we acquire in the future will be, located in developed areas. Therefore, there are and will be numerous other properties within the market area of each of our properties that will compete with us for tenants. The number of competitive properties could have a material effect on our ability to rent space at our properties and the amount of rents charged. We could be adversely affected if additional competitive properties are built in locations competitive with our properties, causing increased competition for customer traffic and creditworthy tenants. Tenants may also face competition from such properties if they are leased to tenants in a similar industry. For example, retail tenants face competition from numerous retail channels such as discount or value retailers, factory outlet centers and wholesale clubs. Retail tenants may additional face competition from alternative retail channels as mail order catalogs and operators, television shopping networks and shopping via the Internet. Competition that we face from other properties within our market areas, and competition our tenants face from tenants in such properties could result in decreased cash flow from tenants and may require us to make capital improvements.

Costs of complying with governmental laws and regulations, including those relating to environmental matters, may adversely affect our income and the cash available for any dividends.

All real property and the operations conducted on real property are subject to federal, state and local laws and regulations, and various foreign laws and regulations, relating to environmental protection and human health and safety. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials, and the remediation of contamination associated with disposals. Environmental laws and regulations may impose joint and several liability on tenants, owners or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. This liability could be substantial. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, may adversely affect our ability to sell, rent or pledge such property as collateral for future borrowings.

Some of these laws and regulations have been amended so as to require compliance with new or more stringent standards as of future dates. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require material expenditures by us. State and federal laws in this area are constantly evolving. Future laws, ordinances or regulations may impose material environmental liability. Additionally, our tenants' operations, the existing condition of land when we buy it, operations in the vicinity of our properties, such as the presence of underground storage tanks, or activities of unrelated third parties may affect our properties. In addition, there are various local, state and federal fire, health, life-safety and similar regulations with which we may be required to comply, and that may subject us to liability in the form of fines or damages for noncompliance. Any material expenditures, fines, or damages we must pay will reduce our ability to pay dividends and may reduce the value of your investment.

Although we generally hire third parties to conduct environmental reviews of the real property that we purchase, we may not obtain an independent third-party environmental assessment for every property we acquire. In addition, any assessment that we do obtain may not reveal all environmental liabilities or that a prior owner of a property did not create a material environmental condition not known to us.

If we sell properties by providing financing to purchasers, defaults by the purchasers would adversely affect our cash flows, and our ability to pay dividends to you.

In some instances we may sell our properties by providing financing to purchasers. When we provide financing to purchasers, we will bear the risk that the purchaser may default, which could negatively impact our cash dividends to stockholders. Even in the absence of a purchaser default, the distribution of the proceeds of sales to our stockholders, or their reinvestment in other assets, will be delayed until the promissory notes or other property we may accept upon the sale are actually paid, sold, refinanced or otherwise disposed of. In some cases, we may receive initial down payments in cash and other property in the year of sale in an amount less than the selling price and subsequent payments will be spread over a number of years.

Our recovery of an investment in a mortgage, bridge or mezzanine loan that has defaulted may be limited, resulting in losses to us.

There is no guarantee that the mortgage, loan or deed of trust securing an investment will, following a default, permit us to recover the original investment and interest that would have been received absent a default. The security provided by a mortgage, deed of trust or loan is directly related to the difference between the amount owed and the appraised market value of the property. Although we intend to rely on a current real estate appraisal when we make the investment, the value of the property is affected by factors outside our control, including general fluctuations in the real estate market, rezoning, neighborhood changes, highway relocations and failure by the borrower to maintain the property. In addition, we may incur the costs of litigation in our efforts to enforce our rights under defaulted loans.

Our costs associated with complying with the Americans with Disabilities Act may affect cash available for dividends.

Our domestic properties are subject to the Americans with Disabilities Act of 1990 (the "Disabilities Act"). Under the Disabilities Act, all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons. The Disabilities Act has separate compliance requirements for "public accommodations" and "commercial facilities" that generally require that buildings and services, including restaurants and retail stores, be made accessible and available to people with disabilities. The Disabilities Act's requirements could require removal of access barriers and could result in the imposition of injunctive relief, monetary penalties, or, in some cases, an award of damages. However, there can be no assurance that we will be able to acquire properties or allocate responsibilities in this manner.

Terrorist attacks and other acts of violence, civilian unrest, or war may affect the markets in which we operate our business and our profitability.

We may acquire real estate assets located in major metropolitan areas as well as densely populated sub-markets that are susceptible to terrorist attack. In addition, any kind of terrorist activity or violent criminal acts, including terrorist acts against public institutions or buildings or modes of public transportation (including airlines, trains or buses) could have a negative effect on our business. These events may directly impact the value of our assets through damage, destruction, loss or increased security costs. Although we may obtain terrorism insurance, we may not be able to obtain sufficient coverage to fund any losses we may incur. The TRIA, which was designed for a sharing of terrorism losses between insurance companies and the federal government, will expire on December 31, 2020, and there can be no assurance that Congress will act to renew or replace it. See " *Uninsured losses relating to real property or excessively expensive premiums for insurance coverage, including due to the non-renewal of the TRIA, could reduce our cash flows and the return on an investment in our Common Stock.* "

More generally, any terrorist attack, other act of violence or war, including armed conflicts, could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility could adversely affect our hotel properties' ability to conduct their operations profitably or our ability to borrow money or issue capital stock at acceptable prices and have a material adverse effect on our financial condition, results of operations and ability to pay dividends to our stockholders.

Market and economic challenges experienced by the U.S. and global economies may adversely impact aspects of our operating results and operating condition.

Our business may be affected by market and economic challenges experienced by the U.S. and global economies. Countries with high levels of sovereign debt have had difficulty refinancing their debt, leading to concerns that have created volatility in various currencies. In addition, many governments around the world, including the U.S. government, are operating at very large financial deficits. Disruptions in the economies of such governments could cause, contribute to or be indicative of, deteriorating macroeconomic conditions. These conditions may materially affect the value and performance of our properties, and may affect our ability to pay dividends, the availability or the terms of financing that we have or may anticipate utilizing, and our ability to make principal and interest payments on, or refinance, any outstanding debt when due. These challenging economic conditions may also impact the ability of certain of our tenants to enter into new leasing transactions or satisfy rental payments under existing leases. Specifically, global market and economic challenges may have adverse consequences, including:

- decreased demand for our properties due to significant job losses that occur or may occur in the future, resulting in lower occupancy levels, which decreased demand will result in decreased revenues and which could diminish the value of our portfolio, which depends, in part, upon the cash flow generated by our properties;
- an increase in the number of bankruptcies or insolvency proceedings of our tenants and lease guarantors, which could delay or preclude our efforts to collect rent and any past due balances under the relevant leases;
- widening credit spreads for major sources of capital as investors demand higher risk premiums, resulting in lenders increasing the cost for debt financing;
- reduction in the amount of capital that is available to finance real estate, which, in turn, could lead to a decline in real estate values generally, slow real estate transaction activity, a reduction the loan-to-value ratio upon which lenders are willing to lend, and difficulty refinancing our debt;
- a decrease in the market value of our properties, which would reduce the value of our portfolio and limit our ability to obtain debt financing securing by our properties;
- reduction in the value and liquidity of our short-term investments and increased volatility in market rates for such investments; and
- reduction in cash flows from our operations as a result of foreign currency losses resulting from our operations in continental Europe and the United Kingdom if we are unsuccessful in hedging these potential losses or if, as part of our risk management strategies, we choose not to hedge such risks.

If economic conditions deteriorate, our board of directors may reduce payment of dividends in order to conserve cash.

Disruptions in the economies of various European countries could negatively impact our business, results of operations and financial condition.

Countries with high levels of sovereign debt have had difficulty refinancing their debt, leading to concerns that have created volatility in various currencies. In addition, many governments around the world, including the U.S. government, are operating at very large financial deficits. Disruptions in the economies of such governments could cause, contribute to or be indicative of, deteriorating macroeconomic conditions. Furthermore, governmental austerity measures aimed at reducing deficits could impair the economic recovery.

We may be exposed to foreign currency gains and losses resulting from our operations in continental Europe and the United Kingdom. If we are unsuccessful in hedging these potential losses, our operating results could be negatively impacted and our

cash flows could be significantly reduced. In some cases, as part of our risk management strategies, we may choose not to hedge such risks. If we misjudge these risks, there could be a material adverse effect on our operating results, financial position and ability to pay dividends.

Foreign exchange rates are influenced by: changing supply and demand for a particular currency, monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries), changes in balances of payments and trade, trade restrictions, and currency devaluations and revaluations. Also, governments from time to time intervene in the currency markets, directly and by regulation, in order to influence prices directly. These events and actions are unpredictable and not within our control. The resulting volatility in exchange rates could have a material and adverse effect on our results of operations and ability to pay dividends.

Our real estate investments may include special use single tenant properties that may be difficult to sell or re-lease upon tenant defaults or early lease terminations, which could adversely affect the value of your investment.

We focus our investments on commercial and retail properties, including special use single tenant properties. If a lease is terminated or not renewed or, in the case of a mortgage loan, if we take such property in foreclosure, we may be required to renovate the property or to make rent concessions in order to lease the property to another tenant or sell the property. These types of properties are relatively illiquid compared to other types of real estate and financial assets. This illiquidity will limit our ability to quickly change our portfolio in response to changes in economic or other conditions. In addition, in the event we are forced to sell the property, we may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed. These and other limitations may affect our ability to re-lease or sell properties and adversely affect returns to you.

Upcoming changes in U.S. accounting standards regarding operating leases may make the leasing of our properties less attractive to our potential tenants, which could reduce overall demand for our properties.

Under current authoritative accounting guidance for leases, a lease is classified by a tenant as a capital lease if the significant risks and rewards of ownership are considered to reside with the tenant. Under capital lease accounting for a tenant, both the leased asset and liability are reflected on their balance sheet. If the lease does not meet any of the criteria for a capital lease, the lease is considered an operating lease by the tenant, and the obligation does not appear on the tenant's balance sheet, rather, the contractual future minimum payment obligations are only disclosed in the footnotes thereto. Thus, entering into an operating lease can appear to enhance a tenant's balance sheet in comparison to direct ownership. The Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board ("IASB"), conducted a joint project to reevaluate lease accounting. In June 2013, the FASB and the IASB jointly finalized exposure drafts of a proposed accounting model that would significantly change lease accounting. In March 2014, the FASB and the IASB redeliberated aspects of the joint project, including the lessee and lessor accounting models, lease term, and exemptions and simplifications. On November 11, 2015, the FASB voted to proceed with a new accounting standard that would require companies and other organizations to include lease obligations on their balance sheets. The final standards were released in February 2016. FASB decided that for public companies, the upcoming standard will be effective for fiscal years (and interim periods within those fiscal years) beginning after December 15, 2018, with early adoption permitted for all companies and organizations upon issuance of the standard. The upcoming standard, once effective, could affect both our accounting for leases as well as that of our current and potential tenants. These changes may affect how the real estate leasing business is conducted. For example, as a result of the revised accounting standards regarding the financial statement classification of operating leases, companies may be less willing to enter into leases in general or desire to enter into leases with shorter terms because the apparent benefits to their balance sheets could be reduced or eliminated.

Risks Associated with Debt Financing and Investments

We may incur mortgage indebtedness and other borrowings, which may increase our business risks.

We generally acquire real properties by using either existing financing or borrowing new funds. In addition, we typically incur mortgage debt and may pledge all or some of our real properties as security for that debt to obtain funds to acquire additional real properties or fund working capital. We may borrow if we need funds to continue to satisfy the REIT tax qualification requirement that we generally distribute annually at least 90% of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP) to our stockholders, determined without regard to the deduction for dividends paid and excluding net capital gain. We also may borrow if we otherwise deem it necessary or advisable to assure that we maintain our qualification as a REIT.

If there is a shortfall between the cash flow from a property and the cash flow needed to service mortgage debt on a property, then the amount available for dividends to stockholders may be reduced. In addition, incurring mortgage debt increases the risk of loss since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default, thus reducing the value of our Common Stock. For U.S. federal income tax purposes, a foreclosure of any of our properties would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds. In such event, we may be unable to pay the amount of dividends required in order to maintain our REIT status. We may give full or partial guarantees to lenders of mortgage debt to the entities that own our properties. When we provide a guaranty on behalf of an entity that owns one of our properties, we will be responsible to the lender for satisfaction of the debt if it is not paid by such entity. If any mortgages contain cross-collateralization or cross-default provisions, a default on a single property could affect multiple properties. If any of our properties are foreclosed upon due to a default, our ability to pay cash dividends to our stockholders will be adversely affected which could result in our losing our REIT status and would result in a decrease in the value of your investment.

Changes in the debt markets could have a material adverse impact on our earnings and financial condition.

The domestic and international commercial real estate debt markets are subject to changing levels of volatility, resulting in, from time to time, the tightening of underwriting standards by lenders and credit rating agencies. If our overall cost of borrowings increase, either by increases in the index rates or by increases in lender spreads, we will need to factor such increases into the economics of future acquisitions. This may result in future acquisitions generating lower overall economic returns and potentially reducing future cash flow available for dividend. If these disruptions in the debt markets persist, our ability to borrow monies to finance the purchase of, or other activities related to, real estate assets will be negatively impacted.

If we are unable to borrow monies on terms and conditions that we find acceptable, we likely will have to reduce the number of properties we can purchase, and the return on the properties we do purchase may be lower. In addition, we may find it difficult, costly or impossible to refinance maturing indebtedness.

In addition, the state of the debt markets could have an impact on the overall amount of capital investing in real estate, which may result in price or value decreases of real estate assets. This could negatively impact the value of our assets after the time we acquire them.

High mortgage rates may make it difficult for us to finance or refinance properties.

If we place mortgage debt on properties, we run the risk of being unable to refinance the properties when the loans come due, or of being unable to refinance on favorable terms. If interest rates are higher when the properties are refinanced, we may not be able to finance the properties and our income could be reduced. If any of these events occur, our cash flow would be reduced.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to pay dividends to you.

In connection with providing us financing, a lender could impose restrictions on us that affect our dividend and operating policies and our ability to incur additional debt. Loan documents we enter into may contain covenants that limit our ability to further mortgage the property, discontinue insurance coverage or replace our Advisor. These or other limitations may adversely affect our flexibility and our ability to achieve our investment and operating objectives.

Increases in interest rates could increase the amount of our debt payments and adversely affect our ability to pay dividends to you.

We have and expect that we will continue to incur indebtedness in the future. We have incurred variable-rate debt. Increases in interest rates on our variable-rate debt would increase our interest costs, which could reduce our cash flows and our ability to pay dividends to you. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times that may not permit realization of the maximum return on such investments.

U.S. Federal Income Tax Risks

Our failure to remain qualified as a REIT would subject us to U.S. federal income tax and potentially state and local tax, and would adversely affect our operations and the market price of our Common Stock.

We qualified to be taxed as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2013 and intend to operate in a manner that would allow us to continue to qualify as a REIT for U.S. federal income tax purposes. However, we may terminate our REIT qualification, if our board of directors determines that not qualifying as a REIT is in the best interests of our stockholders, or inadvertently. Our qualification as a REIT depends upon our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. We have structured and intend to continue structuring our activities in a manner designed to satisfy all the requirements for qualification as a REIT. However, the REIT qualification requirements are extremely complex and interpretation of the U.S. federal income tax laws governing qualification as a REIT is limited. Furthermore, any opinion of our counsel, including tax counsel, as to our eligibility to remain qualified as a REIT is not binding on the Internal Revenue Service (the "IRS") and is not a guarantee that we will continue to qualify as a REIT. Accordingly, we cannot be certain that we will be successful in operating so we can remain qualified as a REIT. Our ability to satisfy the asset tests depends on our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals. Our compliance with the REIT income or quarterly asset requirements also depends on our ability to successfully manage the composition of our income and assets on an ongoing basis. Accordingly, if certain of our operations were to be recharacterized by the IRS, such recharacterization would jeopardize our ability to continue to satisfy all the requirements for continued qualification as a REIT. Furthermore, future legislative, judicial or administrative changes to the U.S. federal income tax laws could be applied retroactively, which could result in our disqualification as a REIT.

If we fail to continue to qualify as a REIT for any taxable year, and we do not qualify for certain statutory relief provisions, we will be subject to U.S. federal income tax on our taxable income at corporate rates. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT qualification. Losing our REIT qualification would reduce our net earnings available for investment or distributions to stockholders because of the additional tax liability. In addition, distributions to stockholders would no longer qualify for the dividends paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

Even if we continue to qualify as a REIT, in certain circumstances, we may incur tax liabilities that would reduce our cash available for distribution to you.

Even if we maintain our status as a REIT, we may be subject to U.S. federal, state and local income taxes. For example, net income from the sale of properties that are “dealer” properties sold by a REIT (a “prohibited transaction” under the Code) will be subject to a 100% tax. We may not make sufficient distributions to avoid excise taxes applicable to REITs. Similarly, if we were to fail an income test (and did not lose our REIT status because such failure was due to reasonable cause and not willful neglect) we would be subject to tax on the income that does not meet the income test requirements. We also may decide to retain net capital gain we earn from the sale or other disposition of our property and pay U.S. federal income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U.S. federal income tax returns and thereon seek a refund of such tax. We also will be subject to corporate tax on any undistributed REIT taxable income. We also may be subject to state and local taxes on our income or property, including franchise, payroll and transfer taxes, either directly or at the level of our operating partnership or at the level of the other companies through which we indirectly own our assets, such as our taxable REIT subsidiaries, which are subject to full U.S. federal, state, local and foreign corporate-level income taxes. Any taxes we pay directly or indirectly will reduce our cash available for distribution to you.

To continue to qualify as a REIT we must meet annual distribution requirements, which may force us to forgo otherwise attractive opportunities or borrow funds during unfavorable market conditions. This could delay or hinder our ability to meet our investment objectives.

In order to continue to qualify as a REIT, we must distribute annually to our stockholders at least 90% of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain. We will be subject to U.S. federal income tax on our undistributed REIT taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we make with respect to any calendar year are less than the sum of (a) 85% of our ordinary income, (b) 95% of our capital gain net income and (c) 100% of our undistributed income from prior years. These requirements could cause us to distribute amounts that otherwise would be spent on investments in real estate assets and it is possible that we might be required to borrow funds, possibly at unfavorable rates, or sell assets to fund these distributions. Although we intend to make distributions sufficient to meet the annual distribution requirements and to avoid U.S federal income and excise taxes on our earnings while we continue to qualify as a REIT, it is possible that we might not always be able to do so.

Recharacterization of sale-leaseback transactions may cause us to lose our REIT status.

With respect to properties acquired in sale-leaseback transactions, we will use commercially reasonable efforts to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease" for U.S. federal income tax purposes, thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes. However, the IRS may challenge such characterization. In the event that any such sale-leaseback transaction is challenged and recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction were so recharacterized, we might fail to continue to satisfy the REIT qualification "asset tests" or "income tests" and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated which might also cause us to fail to meet the dividend requirement for a taxable year.

Certain of our business activities are potentially subject to the prohibited transaction tax.

For so long as we continue to qualify as a REIT, our ability to dispose of property during the first few years following acquisition may be restricted to a substantial extent as a result of our REIT qualification. Under applicable provisions of the Code regarding prohibited transactions by REITs, while we qualify as a REIT, we will be subject to a 100% penalty tax on any gain recognized on the sale or other disposition of any property (other than foreclosure property) that we own, directly or indirectly through any subsidiary entity, including our operating partnership, but generally excluding taxable REIT subsidiaries, that is deemed to be inventory or property held primarily for sale to customers in the ordinary course of a trade or business. Whether property is inventory or otherwise held primarily for sale to customers in the ordinary course of a trade or business depends on the particular facts and circumstances surrounding each property. We intend to avoid the 100% prohibited transaction tax by (1) conducting activities that may otherwise be considered prohibited transactions through a taxable REIT subsidiary (but such taxable REIT subsidiary will incur corporate rate income taxes with respect to any income or gain recognized by it), (2) conducting our operations in such a manner so that no sale or other disposition of an asset we own, directly or through any subsidiary, will be treated as a prohibited transaction or (3) structuring certain dispositions of our properties to comply with the requirements of the prohibited transaction safe harbor available under the Code for properties that, among other requirements, have been held for at least two years. Despite our present intention, no assurance can be given that any particular property we own, directly or through any subsidiary entity, including our operating partnership, but generally excluding taxable REIT subsidiaries, will not be treated as inventory or property held primarily for sale to customers in the ordinary course of a trade or business.

Our taxable REIT subsidiaries are subject to corporate-level taxes and our dealings with our taxable REIT subsidiaries may be subject to 100% excise tax.

A REIT may own up to 100% of the stock of one or more taxable REIT subsidiaries. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a taxable REIT subsidiary. A corporation of which a taxable REIT subsidiary directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a taxable REIT subsidiary. Overall, no more than 25% (20% for taxable years beginning after December 31, 2017) of the gross value of a REIT's assets may consist of stock or securities of one or more taxable REIT subsidiaries. A taxable REIT subsidiary may hold assets and earn income that would not be qualifying assets or income if held or earned directly by a REIT, including gross income from operations pursuant to management contracts. Accordingly, we may use taxable REIT subsidiaries generally to hold properties for sale in the ordinary course of a trade or business or to hold assets or conduct activities that we cannot conduct directly as a REIT. A taxable REIT subsidiary will be subject to applicable U.S. federal, state, local and foreign income tax on its taxable income. In addition, the rules, which are applicable to us as a REIT, also impose a 100% excise tax on certain transactions between a taxable REIT subsidiary and its parent REIT that are not conducted on an arm's-length basis.

We may be required to defer repatriation of cash from foreign jurisdictions in order to continue to qualify as a REIT.

Investments in foreign real property may be subject to foreign currency gains and losses. Certain foreign currency gains will generally be excluded from income for purposes of determining our satisfaction of one or both of the REIT gross income tests; however, under certain circumstances such gains will be treated as non-qualifying income. To reduce the risk of foreign currency gains adversely affecting our continued REIT qualification, we may be required to defer the repatriation of cash from foreign jurisdictions or to employ other structures that could affect the timing, character or amount of income we receive from our foreign investments. No assurance can be given that we will be able to manage our foreign currency gains in a manner that enables us to continue to qualify as a REIT or to avoid U.S. federal and other taxes on our income as a result of foreign currency gains.

If our operating partnership failed to qualify as a partnership or is not otherwise disregarded for U.S. federal income tax purposes, we would cease to qualify as a REIT.

If the IRS were to successfully challenge the status of our operating partnership as a partnership or disregarded entity for such purposes, it would be taxable as a corporation. In such event, this would reduce the amount of distributions that the operating partnership could make to us. This also would result in our failing to maintain our REIT qualification and becoming subject to a corporate level tax on our income. This substantially would reduce our cash available to pay distributions to our stockholders. In addition, if any of the partnerships or limited liability companies through which our operating partnership owns its properties, in whole or in part, loses its characterization as a partnership and is otherwise not disregarded for U.S. federal income tax purposes, it would be subject to taxation as a corporation, thereby reducing distributions to the operating partnership. Such a recharacterization of an underlying property owner could also threaten our ability to maintain our REIT qualification.

Our investments in certain debt instruments may cause us to recognize income for U.S. federal income tax purposes even though no cash payments have been received on the debt instruments, and certain modifications of such debt by us could cause the modified debt to not qualify as a good REIT asset, thereby jeopardizing our REIT qualification.

Our taxable income may substantially exceed our net income as determined based on GAAP, or differences in timing between the recognition of taxable income and the actual receipt of cash may occur. For example, we may acquire assets, including debt securities requiring us to accrue original issue discount ("OID"), or recognize market discount income, that generate taxable income in excess of economic income or in advance of the corresponding cash flow from the assets. In addition, if a borrower with respect to a particular debt instrument encounters financial difficulty rendering it unable to pay stated interest as due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income with the effect that we will recognize income but will not have a corresponding amount of cash available for distribution to you.

As a result of the foregoing, we may generate less cash flow than taxable income in a particular year and find it difficult or impossible to meet the REIT distribution requirements in certain circumstances. In such circumstances, we may be required to (a) sell assets in adverse market conditions, (b) borrow on unfavorable terms, (c) distribute amounts that would otherwise be used for future acquisitions or used to repay debt, or (d) make a taxable distributions of our shares of Common Stock as part of a distribution in which stockholders may elect to receive shares of Common Stock or (subject to a limit measured as a percentage of the total distribution) cash, in order to comply with the REIT distribution requirements.

The failure of a mezzanine loan to qualify as a real estate asset would adversely affect our ability to continue to qualify as a REIT.

In general, in order for a loan to be treated as a qualifying real estate asset producing qualifying income for purposes of the REIT asset and income tests, the loan must be secured by real property or an interest in real property. We may acquire mezzanine loans that are not directly secured by real property or an interest in real property but instead are secured by equity interests in a partnership or limited liability company that directly or indirectly owns real property. In Revenue Procedure 2003-65, the IRS provided a safe harbor pursuant to which a mezzanine loan that is not secured by real estate would, if it meets each of the requirements contained in the Revenue Procedure, be treated by the IRS as a qualifying real estate asset. Although the Revenue Procedure provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law and in many cases it may not be possible for us to meet all the requirements of the safe harbor. We cannot provide assurance that any mezzanine loan in which we invest would be treated as a qualifying asset producing qualifying income for REIT qualification purposes. If any such loan fails either the REIT income or asset tests, we may be disqualified as a REIT.

We may choose to pay dividends in our own stock, in which case you may be required to pay U.S. federal income taxes in excess of the cash dividends you receive.

In connection with our continued qualification as a REIT, we are required to distribute annually to our stockholders at least 90% of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain. In order to satisfy this requirement, we may make distributions that are payable in cash and/or shares of our Common Stock (which could account for up to 80% of the aggregate amount of such distributions) at the election of each stockholder. Taxable stockholders receiving such distributions will be required to include the full amount of such distributions as ordinary dividend income to the extent of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, U.S. stockholders may be required to pay U.S. federal income taxes with respect to such distributions in excess of the cash portion of the dividend received. Accordingly, U.S. stockholders receiving a distribution of our shares may be required to sell shares received in such distribution or may be required to sell other stock or assets owned by them, at a time that may be disadvantageous, in order to satisfy any tax imposed on such distribution. If a U.S. stockholder sells the stock that it receives as part of the distribution in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such distribution, including in respect of all or a portion of such distribution that is payable in stock, by withholding or disposing of part of the shares included in such distribution and using the proceeds of such disposition to satisfy the withholding tax imposed. In addition, if a significant number of our stockholders determine to sell shares of our Common Stock in order to pay taxes owed on dividend income, such sale may put downward pressure on the market price of our Common Stock.

Various tax aspects of such a taxable cash/stock distribution are uncertain and have not yet been addressed by the IRS. No assurance can be given that the IRS will not impose requirements in the future with respect to taxable cash/stock distributions, including on a retroactive basis, or assert that the requirements for such taxable cash/stock distributions have not been met.

The taxation of distributions to you can be complex; however, distributions that we make to you generally will be taxable as ordinary income, which may reduce the anticipated return from an investment in us.

Distributions that we make to our taxable stockholders out of current and accumulated earnings and profits (and not designated as capital gain dividends or qualified dividend income) generally will be taxable as ordinary income. However, a portion of our distributions may (1) be designated by us as capital gain dividends generally taxable as long-term capital gain to the extent that they are attributable to net capital gain recognized by us, (2) be designated by us as qualified dividend income generally to the extent they are attributable to dividends we receive from our taxable REIT subsidiaries, or (3) constitute a return of capital generally to the extent that they exceed our accumulated earnings and profits as determined for U.S. federal income tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder's investment in our Common Stock.

Dividends payable by REITs generally do not qualify for the reduced tax rates available for some dividends.

Currently, the maximum tax rate applicable to qualified dividend income payable to U.S. stockholders that are individuals, trusts and estates is 20%. Dividends payable by REITs, however, generally are not eligible for this reduced rate. Although this legislation does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our Common Stock. Tax rates could be changed in future legislation.

Complying with REIT requirements may limit our ability to hedge our liabilities effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code may limit our ability to hedge our liabilities. Any income from a hedging transaction we enter into to manage risk of interest rate changes, price changes or currency fluctuations with respect to borrowings made or to be made to acquire or carry real estate assets or in certain cases to hedge previously acquired hedges entered into to manage risks associated with property that has been disposed of or liabilities that have been extinguished, if properly identified under applicable Treasury Regulations, does not constitute "gross income" for purposes of the 75% or 95% gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions will likely be treated as non-qualifying income for purposes of both of the gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a taxable REIT subsidiary. This could increase the cost of our hedging activities because our taxable REIT subsidiaries would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in a taxable REIT subsidiary generally will not provide any tax benefit, except for being carried forward against future taxable income of such taxable REIT subsidiary.

Complying with REIT requirements may force us to forgo or liquidate otherwise attractive investment opportunities.

To continue to qualify as a REIT, we must ensure that we meet the REIT gross income tests annually and that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets, including certain mortgage loans and certain kinds of mortgage-related securities. The remainder of our investment in securities (other than government securities and qualified real estate assets) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our assets can consist of the securities of any one issuer (other than government securities and qualified real estate assets), and no more than 25% (20% for taxable years beginning after December 31, 2017) of the value of our total assets can be represented by securities of one or more taxable REIT subsidiaries. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate assets from our portfolio or not make otherwise attractive investments in order to maintain our qualification as a REIT. These actions could have the effect of reducing our income and amounts available for distributions to you.

The ability of our board of directors to revoke our REIT qualification without stockholder approval may subject us to U.S. federal income tax and reduce distributions to you.

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. While we intend to continue to qualify as a REIT, we may terminate our REIT election if we determine that continuing to qualify as a REIT is no longer in our best interests. If we cease to be a REIT, we would become subject to U.S. federal income tax on our taxable income and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on our total return to our stockholders and on the market price of our Common Stock.

We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability, reduce our operating flexibility and reduce the market price of our Common Stock.

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U.S. federal income tax laws applicable to investments similar to an investment in shares of our Common Stock. Additional changes to the tax laws are likely to continue to occur, and there can be no assurance that any such changes will not adversely affect the taxation of a stockholder. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets. Investors are urged to consult with an independent tax advisor with respect to the impact of recent legislation on any investment in our shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our shares. Investors also should note that our counsel's tax opinion is based upon existing law, applicable as of the date of its opinion, all of which will be subject to change, either prospectively or retroactively.

Although REITs generally receive better tax treatment than entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U.S. federal income tax purposes as a corporation. As a result, our charter provides our board of directors with the power, under certain circumstances, to revoke or otherwise terminate our REIT election and cause us to be taxed as a regular corporation, without the vote of our stockholders. Our board of directors has fiduciary duties to us and our stockholders and could only cause such changes in our tax treatment if it determines in good faith that such changes are in the best interest of our stockholders.

The share ownership restrictions of the Code for REITs and the 9.8% share ownership limit in our charter may inhibit market activity in our shares of stock and restrict our business combination opportunities.

In order to continue to qualify as a REIT, five or fewer individuals, as defined in the Code, may not own, actually or constructively, more than 50% in value of our issued and outstanding shares of stock at any time during the last half of each taxable year, other than the first year for which a REIT election is made. Attribution rules in the Code determine if any individual or entity actually or constructively owns our shares of stock under this requirement. Additionally, at least 100 persons must beneficially own our shares of stock during at least 335 days of a taxable year for each taxable year, other than the first year for which a REIT election is made. To help ensure that we meet these tests, among other purposes, our charter restricts the acquisition and ownership of our shares of stock.

Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT while we so qualify. Unless exempted by our board of directors, for so long as we continue to qualify as a REIT, our charter prohibits, among other limitations on ownership and transfer of shares of our stock, any person from beneficially or constructively owning (applying certain attribution rules under the Code) more than 9.8% in value of the aggregate of our outstanding shares of stock and more than 9.8% (in value or in number of shares, whichever is more restrictive) of any class or series of our shares of stock. Our board of directors may not grant an exemption from these restrictions to any proposed transferee whose ownership in excess of the 9.8% ownership limit would result in the termination of our continued qualification as a REIT. These restrictions on transferability and ownership will not apply, however, if our board of directors determines that it is no longer in our best interest to continue to qualify as a REIT or that compliance with the restrictions is no longer required in order for us to continue to qualify as a REIT.

These ownership limits could delay or prevent a transaction or a change in control that might involve a premium price for our Common Stock or otherwise be in the best interest of the stockholders.

Non-U.S. stockholders will be subject to U.S. federal withholding tax and may be subject to U.S. federal income tax on distributions received from us and upon the disposition of our shares.

Subject to certain exceptions, distributions received from us will be treated as dividends of ordinary income to the extent of our current or accumulated earnings and profits. Such dividends ordinarily will be subject to U.S. withholding tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as “effectively connected” with the conduct by the non-U.S. stockholder of a U.S. trade or business. Pursuant to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), capital gain distributions attributable to sales or exchanges of “U.S. real property interests" ("USRPIs"), generally will be taxed to a non-U.S. stockholder (other than a qualified foreign pension plan) as if such gain were effectively connected with a U.S. trade or business. However, a capital gain dividend will not be treated as effectively connected income if (a) the distribution is received with respect to a class of stock that is regularly traded on an established securities market located in the United States and (b) the non-U.S. stockholder does not own more than 10% of the class of our stock at any time during the one-year period ending on the date the distribution is received.

Gain recognized by a non-U.S. stockholder upon the sale or exchange of our Common Stock generally will not be subject to U.S. federal income taxation unless such stock constitutes a USRPI under FIRPTA. Our Common Stock will not constitute a USRPI so long as we are a “domestically-controlled qualified investment entity.” A domestically-controlled qualified investment entity includes a REIT if at all times during a specified testing period, less than 50% in value of such REIT’s stock is held directly or indirectly by non-U.S. stockholders. We believe, but there can be no assurance, that we will be a domestically-controlled qualified investment entity.

Even if we do not qualify as a domestically-controlled qualified investment entity at the time a non-U.S. stockholder sells or exchanges our Common Stock, gain arising from such a sale or exchange would not be subject to U.S. taxation under FIRPTA as a sale of a USRPI if: (a) our Common Stock is “regularly traded,” as defined by applicable Treasury regulations, on an established securities market, and (b) such non-U.S. stockholder owned, actually and constructively, 10% or less of our Common Stock at any time during the five-year period ending on the date of the sale.

Potential characterization of distributions or gain on sale may be treated as unrelated business taxable income to tax-exempt investors.

If (a) we are a “pension-held REIT,” (b) a tax-exempt stockholder has incurred (or is deemed to have incurred) debt to purchase or hold our Common Stock, or (c) a holder of Common Stock is a certain type of tax-exempt stockholder, dividends on, and gains recognized on the sale of, Common Stock by such tax-exempt stockholder may be subject to U.S. federal income tax as unrelated business taxable income under the Code.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We acquire and operate commercial properties. All such properties may be acquired and operated by us alone or jointly with another party. Our portfolio of real estate properties was comprised of the following properties as of December 31, 2015 :

Portfolio	Acquisition Date	Country	Number of Properties	Square Feet	Average Remaining Lease Term [(1)]
McDonald's	Oct. 2012	UK	1	9,094	8.2
Wickes Building Supplies I	May 2013	UK	1	29,679	8.8
Everything Everywhere	Jun. 2013	UK	1	64,832	11.5
Thames Water	Jul. 2013	UK	1	78,650	6.7
Wickes Building Supplies II	Jul. 2013	UK	1	28,758	11.0
PPD Global Labs	Aug. 2013	US	1	76,820	8.9
Northern Rock	Sep. 2013	UK	2	86,290	7.7
Kulicke & Soffa	Sep. 2013	US	1	88,000	7.8
Wickes Building Supplies III	Nov. 2013	UK	1	28,465	12.9
Con-way Freight	Nov. 2013	US	7	105,090	7.9
Wolverine	Dec. 2013	US	1	468,635	7.1
Western Digital	Dec. 2013	US	1	286,330	4.9
Encanto	Dec. 2013	PR	18	65,262	9.5
Rheinmetall	Jan. 2014	GER	1	320,102	8.0
GE Aviation	Jan. 2014	US	1	369,000	10.0
Provident Financial	Feb. 2014	UK	1	117,003	19.9
Crown Crest	Feb. 2014	UK	1	805,530	23.1
Trane	Feb. 2014	US	1	25,000	7.9
Aviva	Mar. 2014	UK	1	131,614	13.5
DFS Trading	Mar. 2014	UK	5	240,230	14.2
GSA I	Mar. 2014	US	1	135,373	6.6
National Oilwell Varco	Mar. 2014	US	1	24,450	7.6
Talk Talk	Apr. 2014	UK	1	48,415	9.2
OBI DIY	Apr. 2014	GER	1	143,633	7.9
GSA II	Apr. 2014	US	2	24,957	7.2
DFS Trading	Apr. 2014	UK	2	39,331	14.2
GSA III	Apr. 2014	US	2	28,364	9.5
GSA IV	May 2014	US	1	33,000	9.6
Indiana Department of Revenue	May 2014	US	1	98,542	7.0
National Oilwell Varco II [(2)]	May 2014	US	1	23,475	14.1
Nissan	May 2014	US	1	462,155	12.8
GSA V	Jun. 2014	US	1	26,533	7.3
Lippert Components	Jun. 2014	US	1	539,137	10.7
Select Energy Services I	Jun. 2014	US	3	135,877	11.0
Bell Supply Co I	Jun. 2014	US	6	79,829	13.0
Axon Energy Products	Jun. 2014	US	3	213,634	11.1
Lhoist	Jun. 2014	US	1	22,500	7.0
GE Oil & Gas	Jun. 2014	US	2	69,846	7.7
Select Energy Services II	Jun. 2014	US	4	143,417	10.9
Bell Supply Co II	Jun. 2014	US	2	19,136	13.0
Superior Energy Services	Jun. 2014	US	2	42,470	8.5
Amcor Packaging	Jun. 2014	UK	7	294,580	8.9
GSA VI	Jun. 2014	US	1	6,921	8.3
Nimble Storage	Jun. 2014	US	1	164,608	5.8
FedEx -3-Pack	Jul. 2014	US	3	338,862	6.7
Sandoz, Inc.	Jul. 2014	US	1	154,101	10.6
Wyndham	Jul. 2014	US	1	31,881	9.3

Properties (continued)

Portfolio	Acquisition Date	Country	Number of Properties	Square Feet	Average Remaining Lease Term [(1)]
Valassis	Jul. 2014	US	1	100,597	7.3
GSA VII	Jul. 2014	US	1	25,603	8.9
AT&T Services	Jul. 2014	US	1	401,516	10.6
PNC - 2-Pack	Jul. 2014	US	2	210,256	13.6
Fujitisu	Jul. 2014	UK	3	162,888	10.9
Continental Tire	Jul. 2014	US	1	90,994	6.6
Achmea	Jul. 2014	NETH	2	190,252	8.0
BP Oil	Aug. 2014	UK	1	2,650	9.8
Malthurst	Aug. 2014	UK	2	3,784	9.9
HBOS	Aug. 2014	UK	3	36,071	9.6
Thermo Fisher	Aug. 2014	US	1	114,700	8.7
Black & Decker	Aug. 2014	US	1	71,259	6.1
Capgemini	Aug. 2014	UK	1	90,475	7.3
Merck & Co.	Aug. 2014	US	1	146,366	9.7
Family Dollar - 65-Pack	Aug. 2014	US	65	541,472	13.7
GSA VIII	Aug. 2014	US	1	23,969	8.6
Garden Ridge	Sep. 2014	US	4	564,910	13.7
Waste Management	Sep. 2014	US	1	84,119	7.0
Intier Automotive Interiors	Sep. 2014	UK	1	152,711	8.4
HP Enterprise Services	Sep. 2014	UK	1	99,444	10.2
Shaw Aero Devices, Inc.	Sep. 2014	US	1	130,581	6.8
FedEx Freight	Sep. 2014	US	1	11,501	8.3
Hotel Winston	Sep. 2014	NETH	1	24,283	13.7
Dollar General - 39-Pack	Sep. 2014	US	39	369,644	12.3
FedEx III	Sep. 2014	US	2	221,260	8.5
Mallinkrodt Pharmaceuticals	Sep. 2014	US	1	89,900	8.7
Kuka	Sep. 2014	US	1	200,000	8.5
CHE Trinity	Sep. 2014	US	2	373,593	6.9
FedEx IV	Sep. 2014	US	2	255,037	7.1
GE Aviation	Sep. 2014	US	1	102,000	7.0
DNV GL	Oct. 2014	US	1	82,000	9.2
Bradford & Bingley	Oct. 2014	UK	1	120,618	13.8
Rexam	Oct. 2014	GER	1	175,615	9.2
FedEx V	Oct. 2014	US	1	76,035	8.5
C&J Energy	Oct. 2014	US	1	96,803	10.3
Family Dollar II	Oct. 2014	US	34	282,730	13.8
Panasonic	Oct. 2014	US	1	48,497	12.6
Onguard	Oct. 2014	US	1	120,000	8.0
Metro Tonic	Oct. 2014	GER	1	636,066	9.8
Axon Energy Products	Oct. 2014	US	1	26,400	8.8
Tokmanni	Oct. 2014	FIN	1	800,834	17.7
Fife Council	Nov. 2014	UK	1	37,331	8.1
Family Dollar III	Nov. 2014	US	2	16,442	13.7
GSA IX	Nov. 2014	US	1	28,300	6.3
KPN BV	Nov. 2014	NETH	1	133,053	11.0
RWE AG	Nov. 2014	GER	3	594,415	8.9
Follett School	Nov. 2014	US	1	486,868	9.0
Quest Diagnostics	Dec. 2014	US	1	223,894	8.7
Family Dollar IV	Dec. 2014	US	1	8,030	13.7

Properties (continued)

Portfolio	Acquisition Date	Country	Number of Properties	Square Feet	Average Remaining Lease Term [(1)]
Diebold	Dec. 2014	US	1	158,330	6.0
Dollar General	Dec. 2014	US	1	12,406	12.2
Weatherford Intl	Dec. 2014	US	1	19,855	9.8
AM Castle	Dec. 2014	US	1	127,600	8.8
FedEx VI	Dec. 2014	US	1	27,771	8.7
Constellium Auto	Dec. 2014	US	1	320,680	13.9
C&J Energy II	Mar. 2015	US	1	125,000	10.3
Fedex VII	Mar. 2015	US	1	12,018	8.8
Fedex VIII	Apr. 2015	US	1	25,852	8.8
Fresenius	May 2015	US	1	10,155	14.2
Fresenius	Jul. 2015	US	1	6,192	14.5
Crown Group	Aug. 2015	US	3	295,974	19.6
Crown Group	Aug. 2015	US	3	642,595	19.7
Mapes & Sprowl Steel, Ltd.	Sep. 2015	US	1	60,798	14.0
JIT Steel Services	Sep. 2015	US	2	126,983	14.0
Beacon Health System, Inc.	Sep. 2015	US	1	49,712	10.3
Hannibal/Lex JV LLC	Sep. 2015	US	1	109,000	13.8
FedEx Ground	Sep. 2015	US	1	91,029	9.5
Office Depot	Sep. 2015	NETH	1	206,331	13.2
Finnair	Sep. 2015	FIN	4	656,275	8.7
Total			329	18,739,733	11.3

(1) If the portfolio has multiple properties with varying lease expirations, average remaining lease term is calculated on a weighted-average basis.Weighted average remaining lease term in years calculated based on square feet as of December 31, 2015 .

(2) The Company has expanded the property in September 2015 by purchasing additional 15,975 square feet with 14.5 years of remaining lease term as of December 31, 2015 .

The following table details distribution of our portfolio by country/location as of December 31, 2015 :

Country	Acquisition Date	Number of Properties	Square Feet	Percentage of Properties by Square Feet	Average Remaining Lease Term [(1)]
Finland	Nov. 2014 - Sep. 2015	5	1,457,109	7.8%	13.2
Germany	Jan. 2014 - Nov. 2014	7	1,869,831	10.0%	8.8
The Netherlands	Jul. 2014 - Sep. 2015	5	553,919	3.0%	11.5
United Kingdom	Oct. 2012 - Nov. 2014	40	2,708,443	14.5%	11.5
United States	Aug. 2013 - Sep. 2015	254	12,085,169	64.4%	11.4
Puerto Rico	Dec. 2013	18	65,262	0.3%	9.5
Total		329	18,739,733	100.0%	11.3

(1) If the portfolio has multiple properties with varying lease expirations, average remaining lease term is calculated on a weighted-average basis.Weighted average remaining lease term in years calculated based on square feet as of December 31, 2015 .

The following table details the tenant industry distribution of our portfolio as of December 31, 2015 :

Industry	Number of Properties	Square Feet	Square Feet as a Percentage of the Total Portfolio	Annualized Rental Income [(1)]	Annualized Rental Income as a Percentage of the Total Portfolio
				(In thousands)	
Aerospace	7	1,257,856	6.7%	$ 14,323	7.0%
Auto Manufacturing	8	1,939,861	10.4%	6,556	3.2%
Automation	1	200,000	1.1%	1,092	0.5%
Automotive Parts Manufacturing	1	152,711	0.8%	1,145	0.6%
Automotive Parts Supplier	2	411,096	2.2%	3,380	1.6%
Biotechnology	1	114,700	0.6%	1,013	0.5%
Consulting	1	82,000	0.4%	576	0.3%
Consumer Goods	3	271,874	1.5%	2,030	1.0%
Contract Research	1	76,820	0.4%	908	0.4%
Discount Retail	143	2,031,558	10.8%	18,248	8.8%
Education	1	486,868	2.6%	1,935	0.9%
Electronics	1	48,497	0.3%	686	0.3%
Energy	29	1,042,692	5.6%	14,097	6.8%
Financial Services	11	1,650,429	8.8%	20,252	9.8%
Foot Apparel	2	588,635	3.1%	2,141	1.0%
Freight	20	1,164,455	6.2%	11,087	5.4%
Government Services	13	468,893	2.5%	13,028	6.3%
Healthcare	6	663,546	3.5%	14,083	6.8%
Home Decor	4	564,910	3.0%	3,256	1.6%
Home Maintenance	4	230,535	1.2%	2,447	1.2%
Hospitality	2	56,164	0.3%	1,694	0.8%
Marketing	1	100,597	0.5%	1,194	0.6%
Metal Fabrication	4	296,781	1.6%	2,120	1.0%
Metal Processing	2	448,280	2.4%	2,862	1.4%
Office Supplies	1	206,331	1.1%	2,181	1.1%
Packaging Goods	7	294,580	1.6%	1,293	0.6%
Petroleum Services	3	6,434	*	783	0.4%
Pharmaceuticals	3	390,367	2.1%	9,788	4.8%
Restaurant - Quick Service	19	74,356	0.4%	3,419	1.7%
Retail Banking	3	36,071	0.2%	1,266	0.6%
Retail Food Distribution	1	805,530	4.3%	5,890	2.9%
Specialty Retail	7	279,561	1.5%	3,390	1.6%
Technology	8	891,745	4.8%	16,424	8.0%
Telecommunications	4	647,816	3.5%	8,820	4.3%
Utilities	4	673,065	3.6%	12,288	6.0%
Waste Management	1	84,119	0.4%	358	0.2%
Total	329	18,739,733	100.0%	$ 206,053	100.0%

(1) Annualized rental income converted from local currency into USD as of December 31, 2015 for the in-place lease in the property on a straight-line basis, which includes tenant concessions such as free rent, as applicable.

* Amount is below 0.1%.

The following table details the geographic distribution, by U.S. state or country/location, of our portfolio as of December 31, 2015 :

Country	State	Number of Properties	Square Feet	Square Feet as a Percentage of the Total Portfolio	Annualized Rental Income [(1)]	Annualized Rental Income as a Percentage of the Total Portfolio
					(In thousands)	
Finland		5	1,457,109	7.8%	$ 14,163	6.9%
Germany		7	1,869,831	10.0%	18,607	9.0%
The Netherlands		5	553,919	3.0%	8,598	4.2%
United Kingdom		40	2,708,443	14.5%	39,530	19.2%
Puerto Rico		18	65,262	0.3%	3,212	1.6%
United States:						
	Alabama	9	73,554	0.4%	791	0.4%
	Arizona	3	158,876	0.8%	982	0.5%
	Arkansas	1	8,320	*	89	*
	California	3	674,832	3.6%	12,890	6.3%
	Colorado	1	26,533	0.1%	1,088	0.5%
	Delaware	1	9,967	0.1%	360	0.2%
	Florida	15	243,596	1.3%	3,421	1.7%
	Georgia	6	47,512	0.3%	670	0.3%
	Idaho	2	16,267	0.1%	201	0.1%
	Illinois	4	570,737	3.0%	2,628	1.3%
	Indiana	6	1,113,636	5.9%	4,475	2.2%
	Iowa	2	32,399	0.2%	296	0.1%
	Kansas	6	178,807	1.0%	1,275	0.6%
	Kentucky	7	517,420	2.8%	3,687	1.8%
	Louisiana	7	136,850	0.7%	1,260	0.6%
	Maine	2	49,572	0.3%	1,874	0.9%
	Maryland	1	120,000	0.6%	785	0.4%
	Massachusetts	2	127,456	0.7%	1,772	0.9%
	Michigan	15	2,296,274	12.3%	17,755	8.6%
	Minnesota	4	149,690	0.8%	2,134	1.0%
	Mississippi	10	80,968	0.4%	800	0.4%
	Missouri	4	138,536	0.7%	2,582	1.2%
	Nebraska	6	57,572	0.3%	564	0.3%
	New Jersey	3	348,964	1.9%	8,505	4.1%
	New Mexico	5	46,405	0.2%	555	0.3%
	New York	2	221,260	1.2%	2,398	1.2%
	North Carolina	7	242,575	1.3%	1,467	0.7%
	North Dakota	3	47,330	0.3%	884	0.4%
	Ohio	12	508,375	2.7%	4,203	2.0%
	Oklahoma	16	159,008	0.8%	1,617	0.8%
	Pennsylvania	11	376,368	2.0%	3,904	1.9%
	South Carolina	15	424,236	2.3%	3,587	1.7%
	South Dakota	2	54,152	0.3%	1,283	0.6%
	Tennessee	12	789,295	4.2%	7,052	3.4%
	Texas	46	2,009,907	10.7%	23,638	11.5%
	Utah	2	19,966	0.1%	395	0.2%
	Virginia	1	7,954	*	76	*
Total		329	18,739,733	100.0%	$ 206,053	100.0%

* Amount is below 0.1%.

(1) Annualized rental income converted from local currency into USD as of December 31, 2015 for the in-place lease in the property on a straight-line basis, which includes tenant concessions such as free rent, as applicable.

Future Minimum Lease Payments

The following table presents future minimum base rent payments, on a cash basis, due to us over the next ten calendar years and thereafter on the properties we owned as of December 31, 2015 :

(In thousands)	Future Minimum Base Rent Payments [1]
2016	$ 195,718
2017	199,195
2018	201,720
2019	204,203
2020	206,384
2021	204,491
2022	194,822
2023	172,283
2024	147,152
2025	100,601
Thereafter	331,769
Total	$ 2,158,338

(1) Based on the exchange rate as of December 31, 2015 .

Future Lease Expirations

The following is a summary of lease expirations for the next ten calendar years on the properties we owned as of December 31, 2015 :

Year of Expiration	Number of Leases Expiring	Annualized Rental Income [1]	Annualized Rental Income as a Percentage of the Total Portfolio	Leased Rentable Square Feet	Percent of Portfolio Rentable Square Feet Expiring
		(In thousands)			
2016	—	$ —	—%	—	—%
2017	—	—	—%	—	—%
2018	—	—	—%	—	—%
2019	—	—	—%	—	—%
2020	2	3,482	1.7%	386,015	2.1%
2021	2	5,003	2.5%	322,938	1.7%
2022	16	20,260	10.1%	1,552,953	8.3%
2023	25	17,760	8.8%	1,890,565	10.1%
2024	39	45,312	22.5%	3,867,912	20.6%
2025	35	20,667	10.3%	1,758,319	9.4%
Total	119	$ 112,484	55.9%	9,778,702	52.2%

(1) Annualized rental income converted from local currency into USD as of December 31, 2015 for the in-place lease in the property on a straight-line basis, which includes tenant concessions such as free rent, as applicable.

Tenant Concentration

As of December 31, 2015 , we did not have any tenants whose rentable square footage or annualized rental income represented greater than 10% of total portfolio rentable square footage or annualized rental income, respectively.

Significant Portfolio Properties

The rentable square feet or annual straight-line rental income of the RWE AG and Government Services Administration ("GSA") (I - IX) properties, each represents 5% or more of our total portfolio's rentable square feet or annual straight-line rental income based on the exchange rate as of December 31, 2015 . The tenant concentration of these properties is summarized below.

RWE AG, located in Essen, Germany, are three freestanding, single-tenant modern office buildings, comprised of 594,415 total rentable square feet and are 100% leased to RWE AG. As of December 31, 2015 , the tenant has 8.9 years remaining on its lease which expires in November 2024. The lease has annualized rental income on a straight-line basis of $10.4 million and contains two five-year renewal options.

The GSA portfolio is located in nine different states throughout the U.S. with a total of eleven properties. The buildings are freestanding, single-tenant office buildings, comprised of 333,020 total rentable square feet and is 100% leased to different U.S. government agencies. As of December 31, 2015 , the tenants have an average of 7.6 years remaining on their leases which expire between April 2022 and July 2028. The leases have annualized rental income on a straight-line basis of $11.6 million and contain one five-year, two five-year and 20 five-year renewal options for GSA II, GSA VI and GSA VII tenants, respectively. The other GSA tenants have no renewal options.

Table of Contents

Property Financings

The following table presents certain debt information about the properties we owned as of December 31, 2015 and 2014 :

			Outstanding Loan Amount [1]					
Country	Portfolio	Encumbered Properties	December 31, 2015	December 31, 2014	Effective Interest Rate		Interest Rate	Maturity
			(In thousands)	*(In thousands)*				
Finland:	Finnair	4	$ 30,976	$ —	2.2%	(2)	Fixed	Sep. 2020
	Tokmanni	1	31,603	—	2.4%	(2)	Fixed	Oct. 2020
Germany:	Rheinmetall	1	11,561	12,884	2.6%	(2)	Fixed	Jan. 2019
	OBI DIY	1	4,908	5,470	2.4%		Fixed	Jan. 2019
	RWE AG	3	68,169	75,969	1.6%	(2)	Fixed	Oct. 2019
	Rexam	1	5,737	6,394	1.8%	(2)	Fixed	Oct. 2019
	Metro Tonic	1	28,904	32,211	1.7%	(2)	Fixed	Dec. 2019
	Total EUR denominated	12	181,858	132,928				
United Kingdom:	McDonald's	1	1,125	1,180	4.1%	(2)	Fixed	Oct. 2017
	Wickes Building Supplies I	1	2,882	3,024	3.7%	(2)	Fixed	May 2018
	Everything Everywhere	1	5,922	6,213	4.0%	(2)	Fixed	Jun. 2018
	Thames Water	1	8,882	9,319	4.1%	(2)	Fixed	Jul. 2018
	Wickes Building Supplies II	1	2,443	2,563	4.2%	(2)	Fixed	Jul. 2018
	Northern Rock	2	7,772	8,155	4.5%	(2)	Fixed	Sep. 2018
	Wickes Building Supplies III	1	2,813	2,951	4.4%	(2)	Fixed	Nov. 2018
	Provident Financial	1	18,875	19,804	4.1%	(2)	Fixed	Feb. 2019
	Crown Crest	1	28,498	29,901	4.3%	(2)	Fixed	Feb. 2019
	Aviva	1	23,242	24,387	3.8%	(2)	Fixed	Mar. 2019
	Bradford & Bingley	1	11,192	—	3.5%	(2)	Fixed	May 2020
	Intier Automotive Interiors	1	6,995	—	3.5%	(2)	Fixed	May 2020
	Capgemini	1	8,142	—	3.2%	(2)	Fixed	Jun. 2020
	Fujitisu	3	36,684	—	3.2%	(2)	Fixed	Jun. 2020
	Amcor Packaging	7	4,628	—	3.6%	(2)	Fixed	Jul. 2020
	Fife Council	1	2,715	—	3.6%	(2)	Fixed	Jul. 2020
	Malthrust	3	4,737	—	3.6%	(2)	Fixed	Jul. 2020
	Talk Talk	1	5,663	—	3.6%	(2)	Fixed	Jul. 2020
	HBOS	3	7,979	—	3.6%	(2)	Fixed	Jul. 2020
	DFS Trading	5	15,010	—	3.4%	(2)	Fixed	Aug. 2020
	DFS Trading	2	3,514	—	3.4%	(2)	Fixed	Aug. 2020
	HP Enterprise Services	1	13,748	—	3.4%	(2)	Fixed	Aug. 2020
	Total GBP Denominated	40	223,461	107,497				
United States:	Quest Diagnostics	1	52,800	—	2.0%	(3)	Variable	Sep. 2018
	Western Digital	1	17,982	18,269	5.3%		Fixed	Jul. 2021
	AT&T Services	1	33,550	—	2.5%	(4)	Variable	Dec. 2020
Puerto Rico:	Encanto Restaurants	18	22,057	22,492	6.3%		Fixed	Jun. 2017
	Total USD denominated	21	126,389	40,761				
	Total	73	$ 531,708	$ 281,186	3.0%			

---

[1] Amounts borrowed in local currency and translated at the spot rate as of respective date.
[2] Fixed as a result of an interest rate swap agreement.
[3] The interest rate is 2.0% plus 1-month LIBOR.
[4] The interest rate is 2.0% plus 1- month Adjusted LIBOR as defined in the mortgage agreement.

Item 3. Legal Proceedings.

We are not a party to any material pending legal proceedings.

Item 4. Mine Safety Disclosure.

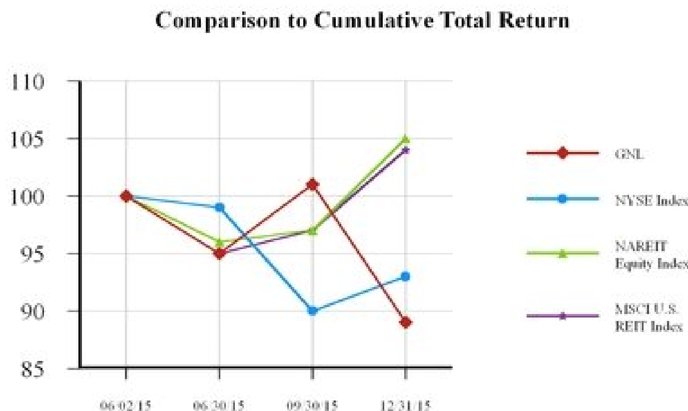
Not applicable.

PART II

Item 5. Market for Registrants Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Common Stock is currently traded on the New York Stock Exchange ("NYSE") under the symbol "GNL." Set forth below is a line graph comparing the cumulative total stockholder return on our Common Stock, based on the market price of the Common Stock, with the FTSE National Association of Real Estate Investment Trusts Equity Index ("NAREIT") and the New York Stock Exchange Index ("NYSE Index") for the period commencing June 2, 2015 , the date on which we listed our shares on the NYSE and ending December 31, 2015 . Reinvestment of dividends or distributions is not assumed as the DRIP was suspended as of May 7, 2015 . The graph assumes an investment of $100 on June 2, 2015 .



For each calendar quarter indicated, the following table reflects high and low sales prices for the Common Stock as reported by NYSE and the amounts paid to our stockholders in respect of these shares which we refer to as "dividends."

	Second Quarter 2015		Third Quarter 2015	Fourth Quarter 2015
High	$ 10.07		$ 9.20	$ 9.29
Low	$ 8.75		$ 7.30	$ 7.76
Amounts paid per share	$ 0.002	(1)	$ 0.178	$ 0.178

(1) Cash distributions in the second quarter of 2015 represent dividends paid for June 2, 2015 based on a monthly dividend rate per share of $0.059 .

Holders

As of February 12, 2016 , we had 168.9 million shares outstanding held by 2,143 stockholders.

Dividends

We qualified to be taxed as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2013. As a REIT, we are required to distribute at least 90% of our REIT taxable income to our stockholders annually. The amount of dividends payable to our stockholders is determined by our board of directors and is dependent on a number of factors, including funds available for distribution, our financial condition, capital expenditure requirements, as applicable, requirements of Maryland law and annual dividend requirements needed to maintain our status as a REIT for U.S. federal income tax purposes under the Code. For tax purposes, of the amounts distributed during the year ended December 31, 2015 , 63.1% , or $0.45 per share per annum, and 36.9% , or $0.26 per share per annum, represented a return of capital and ordinary dividends, respectively. During the year ended December 31, 2014 , 70.4% , or $0.50 per share per annum, and 29.6% , or $0.21 per share per annum, represented a return of capital and ordinary dividends, respectively.

The following table reflects dividends declared and paid in cash and reinvested through the DRIP to common stockholders, as well as dividends related to participating LTIP Units and OP Units during the years ended December 31, 2015 and 2014 :

(In thousands)	Dividends Paid in Cash [(1)]	Other Distributions Paid in Cash [(2)]	Dividends Reinvested in DRIP [(1)]	Total Dividends Paid [(1)]	Dividends Declared [(1)(2)]
Q1 2015	$ 14,268	$ —	$ 17,007	$ 31,275	$ 31,364
Q2 2015	23,516	—	11,571	35,087	24,289
Q3 2015	29,957	321	—	30,278	30,314
Q4 2015	29,989	321	—	30,310	30,306
Total	$ 97,730	$ 642	$ 28,578	$ 126,950	$ 116,273

(In thousands)	Dividends Paid in Cash [(1)]	Dividends Reinvested in DRIP [(1)]	Total Dividends Paid [(1)]	Dividends Declared [(1)]
Q1 2014	$ 2,028	$ 1,937	$ 3,965	$ 6,730
Q2 2014	6,524	8,286	14,810	20,231
Q3 2014	13,083	17,120	30,203	31,443
Q4 2014	13,780	17,543	31,323	31,760
Total	$ 35,415	$ 44,886	$ 80,301	$ 90,164

---

(1) Dividend amounts for the periods indicated above exclude distributions related to Class B units. Dividends paid related to Class B units were $0.3 million and $0.2 million for the years ended December 31, 2015 and 2014 , respectively.

(2) Includes distributions paid of $0.6 million for the OP Units. For the year ended December 31, 2015 total accrued and unpaid distributions to the participating LTIP Units were $0.4 million and therefore were not included in the table above as they remain unpaid as of December 31, 2015 .

During the year ended December 31, 2015 , cash used to pay our dividends was generated mainly from funds received from cash flows provided by operations and proceeds from Common Stock issued under the DRIP. In order to improve our operating cash flows and our ability to pay dividends from operating cash flows, our Advisor may waive certain fees including asset management and property management fees. Until April 1, 2015, the Advisor and the Service Provider were issued Class B units in lieu of asset management fees. Class B units earned prior to April 2015 were exchanged for OP Units. During the years ended December 31, 2015 and 2014 , we incurred approximately $4.0 million and $1.3 million , respectively, in property management fees payable to the Property Manager. The Advisor may elect to waive a portion of property management fees, and will determine if a portion or all of such fees will be waived in subsequent periods on a quarter-to-quarter basis. During the years ended December 31, 2015 and 2014 , the Property Manager elected to waive approximately $2.5 million and $0.7 million , respectively, of property management fees. The fees that are waived are not deferrals and accordingly, will not be paid by us. Because the Advisor may waive certain fees that we may owe, cash flow from operations that would have been paid to the Advisor will be available to pay dividends to our stockholders.

As we continue to build our portfolio of investments, we expect that we will use funds received from operating activities to pay a greater proportion of our dividends. As the cash flows from operations become more significant our Advisor may discontinue its practice of forgiving fees and providing contributions and may charge the full fee owed to it in accordance with our agreements with the Advisor.

Share-Based Compensation

We have a stock option plan (the “Plan”) which authorizes the grant of non-qualified stock options to our independent directors, subject to the absolute discretion of the board of directors and the applicable limitations of the Plan. The exercise price for all stock options granted under the Plan will be equal to the fair market value of a share on the last business day preceding the annual meeting of stockholders. A total of 0.5 million shares have been authorized and reserved for issuance under the Plan.

The following table sets forth information regarding securities authorized for issuance under our stock option plan and our restricted share plan (as described below) as of December 31, 2015 :

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Right	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)
	(a)	(b)	(c)
Equity Compensation Plans approved by security holders	—	$ —	—
Equity Compensation Plans not approved by security holders	—	—	500,000
Total	—	$ —	500,000

Restricted Share Plan

We have an employee and director incentive restricted share plan (the “RSP”) that, prior to the Listing, provided for the automatic grant of 3,000 restricted shares of common stock to each of the independent directors, without any further action by our board of directors or the stockholders, on the date of initial election to the board of directors and on the date of each annual stockholder’s meeting. Restricted stock issued to independent directors vested over a five-year period following the first anniversary of the date of grant in increments of 20% per annum. On April 8, 2015 , we amended the RSP ("Amended RSP"), among other things, to remove the fixed amount of shares that are automatically granted to the independent directors and remove the fixed vesting period of five years. Under the Amended RSP, the annual amount granted to the independent directors is determined by the board of directors. Generally, such awards provide for accelerated vesting of (i) all unvested shares upon a "change in control" or a "termination without cause" (as defined in the Amended RSP) and (ii) the portion of the unvested shares scheduled to vest in the year of termination upon a voluntary termination or failure to be re-elected to the board. The RSP provides us with the ability to grant awards of restricted shares to our directors, officers and employees (if we ever have employees), employees of the Advisor and its affiliates, employees of entities that provide services to us, directors of the Advisor or of entities that provide services to us, certain consultants to us and the Advisor and its affiliates or to entities that provide services to us.

Effective upon the Listing, our board of directors approved the following changes to independent director compensation: (i) increasing in the annual retainer payable to all independent directors to $100,000 per year, (ii) increase in the annual retainer for the non-executive chair to $105,000 , (iii) increase in the annual retainer for independent directors serving on the audit committee, compensation committee or nominating and corporate governance committee to $30,000 . All annual retainers are payable 50% in the form of cash and 50% in the form of restricted stock units ("RSU") which vest over a three -year period. In addition, the directors have the option to elect to receive the cash component in the form of RSUs which would vest over a three - year period. Under the Amended RSP, restricted share awards entitle the recipient to receive shares of Common Stock from the Company under terms that provide for vesting over a specified period of time or upon attainment of pre-established performance objectives. Such awards would typically be forfeited with respect to the unvested shares upon the termination of the recipient's employment or other relationship with the Company. In connection with the Listing, our board of directors also approved a one-time retention grant of 40,000 RSUs to each of the directors valued at $8.52 per unit, which vest over a five -year period. On July 13, 2015, we granted an annual retainer to each of its independent directors comprising of 50% (or $0.1 million) in cash and 50% (or 7,352) in RSUs which vest over a three -year period with the vesting period beginning on June 15, 2015 . In addition, we granted $0.1 million in non executive chair compensation in cash and 50% (or 5,882) in RSUs which vest over a three -year period with the vesting period beginning on June 15, 2015 .

Prior April 8, 2015 , the total number of shares of Common Stock granted under the RSP could not exceed 5% of our outstanding shares on a fully diluted basis at any time, and in any event could not exceed 7.5 million shares (as such number may be adjusted for stock splits, stock dividends, combinations and similar events). The Amended RSP increased the number of shares of our Common Stock, par value $0.01 per share, available for awards thereunder to 10% of our outstanding shares of Common Stock on a fully diluted basis at any time. The Amended RSP also eliminated the limit of 7.5 million shares of Common Stock permitted to be issued as RSUs.

Restricted shares may not, in general, be sold or otherwise transferred until restrictions are removed and the shares have vested. Holders of restricted shares may receive cash dividends prior to the time that the restrictions on the restricted shares have lapsed. Any dividends payable in common shares shall be subject to the same restrictions as the underlying restricted shares. As of December 31, 2015 , there were 187,938 unvested restricted shares issued pursuant to the RSP.

Multi-Year Outperformance Agreement

In connection with the Listing, the Company entered into the OPP with the OP and the Advisor. Under the OPP, the Advisor was issued 9,041,801 long term incentive plan ("LTIP Units") in the OP with a maximum award value on the issuance date equal to 5.00% of the Company's market capitalization (the "OPP Cap"). The LTIP Units are structured as profits interests in the OP.

The Advisor will be eligible to earn a number of LTIP Units with a value equal to a portion of the OPP Cap upon the first, second and third anniversaries of the Effective Date, which is the listing date, June 2, 2015 , based on the Company's achievement of certain levels of total return to its stockholders ("Total Return"), including both share price appreciation and Common Stock dividends, as measured against a peer group of companies, as set forth below, for the three-year performance period commencing on the Effective Date (the " Three -Year Period"); each 12-month period during the Three -Year Period (the " One -Year Periods"); and the initial 24-month period of the Three -Year Period (the " Two -Year Period"), as follows:

	Performance Period	Annual Period	Interim Period
Absolute Component: 4% of any excess Total Return attained above an absolute hurdle measured from the beginning of such period:	21%	7%	14%
Relative Component: 4% of any excess Total Return attained above the Total Return for the performance period of the Peer Group*, subject to a ratable sliding scale factor as follows based on achievement of cumulative Total Return measured from the beginning of such period:			
• 100% will be earned if cumulative Total Return achieved is at least:	18%	6%	12%
• 50% will be earned if cumulative Total Return achieved is:	—%	—%	—%
• 0% will be earned if cumulative Total Return achieved is less than:	—%	—%	—%
• a percentage from 50% to 100% calculated by linear interpolation will be earned if the cumulative Total Return achieved is between:	0% - 18%	0% - 6%	0% - 12%

* The "Peer Group" is comprised of Gramercy Property Trust Inc., Lexington Realty Trust, Select Income REIT, and W.P. Carey Inc.

The potential outperformance award is calculated at the end of each One -Year Period, the Two -Year Period and the Three -Year Period. The award earned for the Three -Year Period is based on the formula in the table above less any awards earned for the Two -Year Period and One -Year Periods, but not less than zero; the award earned for the Two -Year Period is based on the formula in the table above less any award earned for the first and second One -Year Period, but not less than zero. Any LTIP Units that are unearned at the end of the Performance Period will be forfeited.

Subject to the Advisor's continued service through each vesting date, one third of any earned LTIP Units will vest on each of the third, fourth and fifth anniversaries of the Effective Date. Any earned and vested LTIP Units may be converted into OP Units in accordance with the terms and conditions of the limited partnership agreement of the OP. The OPP provides for early calculation of LTIP Units earned and for the accelerated vesting of any earned LTIP Units in the event Advisor is terminated or in the event the Company incurs a change in control, in either case prior to the end of the Three -Year Period.

On February 25, 2016 , the OPP was amended and restated to reflect the merger of two of the companies in the peer group.

Unregistered Sales of Equity Securities

The OP issued the following securities that were not registered under the Securities Act during the year ended December 31, 2015 .

On June 2, 2015 , the Advisor contributed $0.8 million in exchange for 83,333 OP Units. 1,726,323 OP Units were issued in exchange for Class B Units which were issued in reliance upon exemptions from registration provided under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder. These OP Units are exchangeable for shares of Common Stock of the Company on a one-for-one basis, or the cash value of shares of Common Stock (at the option of the Company), after 12 months from the Listing Date subject to the terms of the limited partnership agreement of the OP.

A holder of OP units has the right to convert OP units for the cash value of a corresponding number of shares of our common stock or a corresponding number of shares of our common stock, at our option, in accordance with the limited partnership agreement of the OP. The remaining rights of the holders of OP units are limited, however, and do not include the ability to replace the general partner or to approve the sale, purchase or refinancing of the OP's assets.

Upon occurrence of the Listing, the Special Limited Partnership became entitled to begin receiving dividends of net sale proceeds pursuant to its special limited partner interest in the OP (the "SLP Interest") in an aggregate amount that is evidenced by the issuance of a note by the OP (the "Listing Note"). The principal amount of the Listing Note was determined based, in part, on the actual average market value of our outstanding common stock for the period 180 days to 210 days after the Listing. The final value of the Listing Note was determined to be zero dollars.

In connection with the Listing, the Company's board of directors also approved a one-time retention grant of 40,000 RSUs to each of the directors valued at $8.52 per unit, which vest over a five-year period. On July 13, 2015, the Company granted an annual retainer to each of its independent directors comprising of 50% (or $0.1 million) in cash and 50% (or 7,352) in RSUs which vest over a three-year period with the vesting period beginning on June 15, 2015. In addition, the Company granted $0.1 million in non executive chair compensation in cash and 50% (or 5,882) in RSUs which vest over a three-year period with the vesting period beginning on June 15, 2015.

In connection with the Listing, Company issued a total of 160,000 RSUs to its directors. On July 7, 2015, the Company issued an additional 27,938 RSUs to its directors. The RSUs were issued in reliance upon exemptions from registration provided under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder.

Pursuant to the OPP, the Company issued 9,041,801 LTIP Units to the Advisor. The LTIP Units were issued in reliance upon exemptions from registration provided under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder.

Other than as described above, we did not sell any equity securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act"), during the year ended December 31, 2015 .

Use of Proceeds from Sales of Registered Securities

On April 20, 2012, we commenced our IPO on a "reasonable best efforts" basis of up to 150.0 million shares of Common Stock, pursuant to the Registration Statement filed with the SEC under the Securities Act. The Registration Statement also covers up to 25.0 million shares of Common Stock issuable pursuant the DRIP under which common stockholders may elect to have their dividends reinvested in additional shares of Common Stock. On June 13, 2014, we announced the reallocation of 23.8 million shares which represented all remaining unsold shares available pursuant to the DRIP. On June 17, 2014, we registered an additional 25.0 million shares to be issued under the DRIP pursuant to a registration statement on Form S-3 (File No. 333-196829). As of December 31, 2015 , we have issued 168.9 million shares of our Common Stock, and received $1.7 billion of offering proceeds from the sale of Common Stock, including shares issued under the DRIP and shares redeemed. On May 7, 2015, the Company filed a post-effective amendment to the Registration Statement to deregister the unsold shares registered under the Registration Statement. We operated as a non-traded REIT through June 1, 2015. On June 2, 2015 , we listed our Common Stock on the NYSE under the symbol GNL.

We have used and expect to continue to use substantially all of the net proceeds from our IPO to primarily acquire a diversified portfolio of income producing real estate properties, focusing primarily on acquiring freestanding, single-tenant bank branches, convenience stores, office, industrial and retail properties net leased to investment grade and other credit-worthy tenants. We may also originate or acquire first mortgage loans secured by real estate. As of December 31, 2015 , we have used debt financing of approximately $531.7 million in secured mortgage notes, $717.3 million in Credit Facility and the net proceeds from our IPO to purchase 329 properties with an aggregate base purchase price of $2.6 billion . We have used and may continue to use net proceeds from our IPO to fund a portion of our dividends. See Dividends in " Item 7 - Management's Discussion and Analysis of Financial Condition and Non-GAAP Financial Measures - Dividends" for further discussion.

As of December 31, 2015 , cumulative offering costs included $18.2 million paid to the Advisor and the Former Dealer Manager to reimburse offering costs incurred. As of December 31, 2015 , we have incurred $188.1 million of total cumulative offering costs in connection with the issuance and distribution of our registered securities. The Advisor has elected to cap cumulative offering costs incurred by us, net of unpaid amounts, to 11.5% of gross common stock proceeds during the IPO. Cumulative offering costs, net of unpaid amounts, were less than the 11.5% threshold as of December 31, 2015 .

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On April 7, 2015, the board of directors approved the termination of our Share Repurchase Program ("SRP"). We have processed all of the requests received under the SRP in the first quarter of 2015 and will not process further requests.

On June 2, 2015 , the Company commenced the Tender Offer. The Tender Offer was completed on June 29, 2015 with the Company purchasing approximately 11.9 million shares of its Common Stock at a price of $10.50 per share, for an aggregate value of $125.0 million , excluding fees and expenses relating to the Tender Offer and including fractional shares repurchased thereafter. The Company funded the Tender Offer using cash on hand and funds available under its existing Credit Facility.

The following table reflects the cumulative number of common shares repurchased as of December 31, 2014 and 2015 :

	Number of Shares Repurchased	Weighted Average Price per Share
Cumulative repurchases as of December 31, 2014	99,969	9.91
Redemptions	135,123	9.78
Shares repurchased under Tender Offer	11,904,762	10.50
Cumulative repurchases as of December 31, 2015	12,139,854	$ 10.49

Item 6. Selected Financial Data

The following is selected financial data as of December 31, 2015 , 2014 , 2013 , 2012 and 2011 , and for the years ended December 31, 2015 , 2014 , 2013 , 2012 and for the period ended July 13, 2011 (date of inception) to December 31, 2011 :

	December 31,				
Balance sheet data *(In thousands)*	2015	2014	2013	2012	2011
Total real estate investments, at cost	$ 2,546,304	$ 2,340,039	$ 196,908	$ 2,585	$ —
Total assets	2,547,968	2,428,797	214,927	2,933	559
Mortgage notes payable	531,708	281,186	76,904	1,228	—
Credit facility	717,286	659,268	—	—	—
Total liabilities	1,327,849	1,012,128	92,207	3,729	375
Total equity	1,220,119	1,416,669	122,720	(796)	184

	Year Ended December 31,				Period from July 13, 2011 (date of inception) to December 31, 2011
Operating data *(In thousands, except share and per share data)*	2015	2014	2013	2012	
Total revenues	$ 205,332	$ 93,383	$ 3,951	$ 30	$ —
Operating expenses	172,123	136,943	10,007	433	16
Operating income (loss)	33,209	(43,560)	(6,056)	(403)	(16)
Total other expenses	(29,335)	(11,465)	(933)	(10)	—
Income taxes (expense) benefit	(5,889)	1,431	—	—	—
Net loss	(2,015)	(53,594)	(6,989)	(413)	(16)
Non-controlling interests	(50)	—	—	—	—
Net income loss attributable to stockholders	$ (2,065)	$ (53,594)	$ (6,989)	$ (413)	$ (16)
Other data:					
Cash flows provided by (used in) operations	$ 102,155	$ (9,693)	$ (3,647)	$ (418)	$ —
Cash flows used in investing activities	(222,279)	(1,517,175)	(111,500)	(1,357)	—
Cash flows provided by financing activities	121,604	1,582,907	124,209	2,027	—
Per share data:					
Dividends declared per common share	$ 0.71	$ 0.71	$ 0.71	$ 0.71	—
Net loss per common share - basic and diluted	$ (0.01)	$ (0.43)	$ (1.28)	$ (6.43)	NM
Weighted-average number of common shares outstanding, basic and diluted	174,309,894	126,079,369	5,453,404	64,252	22,222

NM - not meaningful

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying financial statements. The following information contains forward-looking statements, which are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, actual results may differ materially from those expressed or implied by the forward-looking statements. Please see "Forward-Looking Statements" elsewhere in this report for a description of these risks and uncertainties.

Overview

We were incorporated on July 13, 2011 as a Maryland corporation. We acquired our first property and commenced active operations in October 2012 and elected and qualified to be taxed as a REIT for U.S. federal income tax purposes beginning with our taxable year ended December 31, 2013. We completed our initial public offering ("IPO") on June 30, 2014 and on June 2, 2015 we listed our common stock ("Common Stock") on the New York Stock Exchange (the "NYSE") under the symbol "GNL" (the "Listing").

Our investment strategy is to acquire a diversified portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant net-leased commercial properties. As of December 31, 2015 , we owned 329 net leased commercial properties consisting of 18.7 million rentable square feet. Based on original purchase price, 60.4% of our properties are located in the United States (U.S.) and the Commonwealth of Puerto Rico, 20.8% are located in continental Europe and 18.8% are located in the United Kingdom. The properties were 100% leased, with a weighted average remaining lease term of 11.3 years.

Substantially all of our business is conducted through the OP. As of December 31, 2015 , the Advisor held 1,461,753 OP Units, the Service Provider held 347,903 OP Units and the Special Limited Partner held 22 OP Units. In accordance with the limited partnership agreement of the OP, a holder of OP Units has the right to convert OP Units for a corresponding number of shares of the Company's Common Stock or the cash value of those corresponding shares, at the Company's option. The remaining rights of the limited partner interests are limited and do not include the ability to replace the general partner or to approve the sale, purchase or refinancing of the OP's assets.

We are externally managed by our Advisor and our properties are managed and leased by Global Net Lease Properties, LLC (the "Property Manager"). The Advisor, Property Manager and Special Limited Partner are under common control with the parent of the sponsor, AR Capital Global Holdings, LLC (the "Sponsor"), as a result of which they are related parties, and have received compensation, fees and expense reimbursements for various services provided to us and for the investment and management of our assets. The Advisor has retained the Service Provider to provide advisory and property management services with respect to investments in Europe, subject to the Advisor's oversight. These services include, among others, sourcing and structuring of investments, sourcing and structuring of debt financing, due diligence, property management and leasing. Our Former Dealer Manager served as the dealer manager of our IPO, which was ongoing from October 2012 to June 2014 and, together with its affiliates, continued to provide us with various services through December 31, 2015. RCS Capital Corporation, the parent company of the Former Dealer Manager and certain of its affiliates that provided services to us, filed for Chapter 11 bankruptcy protection in January 2016, prior to which it was also under common control with AR Global, the parent of our Sponsor.

Significant Accounting Estimates and Critical Accounting Policies

Set forth below is a summary of the significant accounting estimates and critical accounting policies that management believes are important to the preparation of our financial statements. Certain of our accounting estimates are particularly important for an understanding of our financial position and results of operations and require the application of significant judgment by our management. As a result, these estimates are subject to a degree of uncertainty. These significant accounting estimates and critical accounting policies include:

Offering and Related Costs

Offering and related costs include all expenses incurred in connection with our IPO. Offering costs (other than selling commissions and the Former Dealer Manager fees) include costs that may be paid by the Advisor, the Former Dealer Manager or their affiliates on our behalf. These costs include but are not limited to (i) legal, accounting, printing, mailing, and filing fees; (ii) escrow service related fees; (iii) reimbursement of the Former Dealer Manager for amounts it may pay to reimburse the bona fide diligence expenses of broker-dealers; and (iv) reimbursement to the Advisor for a portion of the costs of its employees and other costs in connection with preparing supplemental sales materials and related offering activities. We are obligated to reimburse the Advisor or its affiliates, as applicable, for organization and offering costs paid by them on our behalf, provided that the Advisor is obligated to reimburse us to the extent organization and offering costs (excluding selling commissions and the Former Dealer Manager fee) incurred by us in our offering exceed 1.5% of gross offering proceeds in the IPO. As a result, these costs are only our liability to the extent aggregate selling commissions, the dealer manager fee and other organization and offering costs do not exceed 11.5% of the gross proceeds determined at the end of the IPO.

Revenue Recognition

Our revenues, which are derived primarily from rental income, include rents that each tenant pays in accordance with the terms of each lease reported on a straight-line basis over the initial term of the lease. Because many of our leases provide for rental increases at specified intervals, straight-line basis accounting requires us to record a receivable, and include in revenues unbilled rent receivables that we will only receive if the tenant makes all rent payments required through the expiration of the initial term of the lease. We defer the revenue related to lease payments received from tenants in advance of their due dates. When we acquire a property, the acquisition date is considered to be the commencement date of purposes of this calculation.

As of December 31, 2015 and 2014 , we included cumulative straight line rents receivable in Prepaid expenses and other assets in the consolidated balance sheets of $23.1 million and $8.7 million , respectively. For the year ended December 31, 2015 and 2014 , our rental revenue included impacts of unbilled rental revenue of $14.5 million and $8.5 million , respectively, to adjust contractual rent to straight line rent.

We continually review receivables related to rent and unbilled rent receivables and determine collectability by taking into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. In the event that the collectability of a receivable is in doubt, we record an increase in our allowance for uncollectible accounts or record a direct write-off of the receivable in our consolidated statements of operations.

Cost recoveries from tenants are included in operating expense reimbursement in the period the related costs are incurred, as applicable.

Investments in Real Estate

Investments in real estate are recorded at cost. Improvements and replacements are capitalized when they extend the useful life of the asset. Costs of repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of up to 40 years for buildings, 15 years for land improvements, five years for fixtures and the shorter of the useful life or the remaining lease term for tenant improvements and leasehold interests.

We evaluate the inputs, processes and outputs of each asset acquired to determine if the transaction is a business combination or asset acquisition. If an acquisition qualifies as a business combination, the related transaction costs are recorded as an expense in the consolidated statements of operations. If an acquisition qualifies as an asset acquisition, the related transaction costs are generally capitalized and subsequently amortized over the useful life of the acquired assets.

In business combinations, we allocate the purchase price of acquired properties to tangible and identifiable intangible assets or liabilities and non-controlling interests based on their respective fair values. Tangible assets may include land, land improvements, buildings, fixtures and tenant improvements. Intangible assets or liabilities may include the value of in-place leases, above- and below- market leases and other identifiable assets or liabilities based on lease or property specific characteristics. In addition, any assumed mortgages receivable or payable and any assumed or issued non-controlling interests are recorded at their estimated fair values.

We are required to make subjective assessments as to the useful lives of our properties for purposes of determining the amount of depreciation to record on an annual basis with respect to our investments in real estate. These assessments have a direct impact on our net earnings because if we were to shorten the expected useful lives of our investments in real estate, we would depreciate these investments over fewer years, resulting in more depreciation expense and lower net income on an annual basis.

We are required to present the operations related to properties that have been sold or properties that are intended to be sold as discontinued operations in the consolidated statements of operations for all periods presented. Properties that are intended to be sold are to be designated as “held for sale” on the consolidated balance sheets.

We evaluate the lease accounting for each new property acquired with existing or new lease and reviews for any capital lease criterias. A lease is classified by a tenant as a capital lease if the significant risks and rewards of ownership are considered to reside with the tenant. This situation is generally considered to be met if, among other things, the non-cancelable lease term is more than 75% of the useful life of the asset or if the present value of the minimum lease payments equals 90% or more of the leased property’s fair value at lease inception.

Impairment of Long Lived Assets

When circumstances indicate the carrying value of a property may not be recoverable, we review the asset for impairment. This review is based on an estimate of the future undiscounted cash flows, excluding interest charges, expected to result from the property's use and eventual disposition. These estimates consider factors such as expected future operating income, market and other applicable trends and residual value, as well as the effects of leasing demand, competition and other factors. If impairment exists due to the inability to recover the carrying value of a property, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property for properties to be held and used. For properties held for sale, the impairment loss is the adjustment to fair value less estimated cost to dispose of the asset. These assessments have a direct impact on net income because recording an impairment loss results in an immediate negative adjustment to net earnings.

Purchase Price Allocation

We allocate the purchase price of acquired properties to tangible and identifiable intangible assets acquired based on their respective fair values. Tangible assets include land, land improvements, buildings, fixtures and tenant improvements on an as-if vacant basis. We utilize various estimates, processes and information to determine the as-if vacant property value. Estimates of value are made using customary methods, including data from appraisals, comparable sales, discounted cash flow analysis and other methods. Amounts allocated to land, land improvements, buildings and fixtures are based on cost segregation studies performed by independent third parties or on our analysis of comparable properties in our portfolio. Identifiable intangible assets include amounts allocated to acquire leases for above- and below-market lease rates, the value of in-place leases, and the value of customer relationships, as applicable.

Factors considered in the analysis of the in-place lease intangibles include an estimate of carrying costs during the expected lease-up period for each property, taking into account current market conditions and costs to execute similar leases. In estimating carrying costs, we include real estate taxes, insurance and other operating expenses and estimates of lost rentals at contract rates during the expected lease-up period, which typically ranges from 12 to 18 months . We also estimate costs to execute similar leases including leasing commissions, legal and other related expenses.

Above-market and below-market lease values for acquired properties are initially recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the remaining initial term plus the term of any below-market fixed rate renewal options for below-market leases. The capitalized above-market lease values are amortized as a reduction of base rental revenue over the remaining terms of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed rate renewal options of the respective leases. If a tenant with a below market rent renewal does not renew, any remaining unamortized amount will be taken into income at that time.

The aggregate value of intangible assets related to customer relationship, as applicable, is measured based on our evaluation of the specific characteristics of each tenant's lease and our overall relationship with the tenant. Characteristics considered by us in determining these values include the nature and extent of its existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals, among other factors.

The value of customer relationship intangibles is amortized to expense over the initial term and any renewal periods in the respective leases, but in no event does the amortization period for intangible assets exceed the remaining depreciable life of the building. If a tenant terminates its lease, the unamortized portion of the in-place lease value and customer relationship intangibles is charged to expense.

In making estimates of fair values for purposes of allocating purchase price, we utilize a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property and other market data. We also consider information obtained about each property as a result of our pre-acquisition due diligence in estimating the fair value of the tangible and intangible assets acquired and intangible liabilities assumed.

Goodwill

We evaluate goodwill for possible impairment at least annually or upon the occurrence of a triggering event. A triggering event is an event or circumstance that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We performed a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. Based on our assessment we determined that the goodwill is not impaired as of December 31, 2015 and no further analysis is required.

Derivative Instruments

We may use derivative financial instruments, including interest rate swaps, caps, options, floors and other interest rate derivative contracts, to hedge all or a portion of the interest rate risk associated with its borrowings. Certain of our foreign operations expose us to fluctuations of foreign interest rates and exchange rates. These fluctuations may impact the value of our cash receipts and payments in our functional currency, the U.S. dollar. We enter into derivative financial instruments to protect the value or fix the amount of certain obligations in terms of our functional currency.

We record all derivatives on the consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that is attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. We may enter into derivative contracts that are intended to economically hedge certain risk, even though hedge accounting does not apply or we elect not to apply hedge accounting.

The accounting for subsequent changes in the fair value of these derivatives depends on whether each has been designed and qualifies for hedge accounting treatment. If we elect not to apply hedge accounting treatment, any changes in the fair value of these derivative instruments is recognized immediately in gains (losses) on derivative instruments in the consolidated statements of operations. If the derivative is designated and qualifies for hedge accounting treatment the change in the estimated fair value of the derivative is recorded in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss) to the extent that it is effective. Any ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

Listing Note

Concurrent with the Listing, we, as the general partner of the OP, caused the OP, subject to the terms of the Second Amended and Restated Agreement of Limited Partnership, to evidence the OP's obligation to distribute certain amounts to the Special Limited Partner through the issuance of the Listing Note. The amount of the Listing Note is determined, in part, based on the average market value of our outstanding shares of Common Stock for the period of 30 consecutive trading days, commencing on the 180th calendar day following the Listing. Until the principal amount of the Listing Note is determined, the Listing Note is treated as a liability and we estimate the contingent consideration using a valuation model and records the fair value of the Listing Note on the consolidated balance sheets. The principal amount of the Listing Note was determined to be zero at December 31, 2015 , and therefore no liability was recorded. The Company estimates the contingent consideration using a valuation model and records the fair value of the Listing Note on the consolidated balance sheets. Changes in the fair value of the Listing Note are recorded in the consolidated statements of operations. The final fair value of the Listing Note on maturity at January 23, 2016 was determined to be zero value.

Multi-Year Outperformance Agreement

Concurrent with the Listing and modifications to Advisor agreement, we entered into a Multi-Year Outperformance Agreement (the “OPP”) with the OP and the Advisor. We record equity based compensation expense associated with the awards over the requisite service period of five years on a graded basis. The cumulative equity-based compensation expense is adjusted each reporting period for changes in the estimated market-related performance.

Recently Issued Accounting Pronouncements

See Note 2 — Summary of Significant Accounting Policies for *Recently Issued Accounting Pronouncements* to audited consolidated financial statements in this Annual Report on Form 10-K for further discussion.

Results of Operations

Comparison of the Year Ended December 31, 2015 to the Year Ended December 31, 2014

We purchased 22 properties in 2015 compared to our portfolio of 307 properties as of December 31, 2014 . The results of operations for the year ended December 31, 2015 therefore reflect significant increases in most categories as portfolio was mostly stabilized in last quarter 2014 and 2015 is showing full year of operations for those assets as well as incremental growth from the addition of 22 properties, 18 of which were acquired in third quarter of 2015 .

Rental Income

Rental income was $194.6 million and $88.2 million for the years ended December 31, 2015 and 2014 , respectively. The significant increase in rental income was driven by our acquisition of 22 properties since December 31, 2014 for an aggregate purchase price of $255.0 million , as of the respective acquisition dates. In addition, we had a full year of rental income on 270 properties acquired during 2014 .

Operating Expense Reimbursements

Operating expense reimbursements were $10.7 million and $5.2 million for the years ended December 31, 2015 and 2014 , respectively. Our lease agreements generally require tenants to pay all property operating expenses, in addition to base rent, however some limited property operating expenses may be absorbed by us. Operating expense reimbursements primarily reflect insurance costs and real estate taxes incurred by us and subsequently reimbursed by the tenant. The increase over 2014 is largely driven by acquisitions made in latter part of 2014 and during 2015 .

Property Operating Expense

Property operating expenses were $18.2 million for the year ended December 31, 2015 , compared to $7.9 million for the year ended 2014 . These costs primarily relate to insurance costs and real estate taxes on our properties, which are generally reimbursable by the tenants. The increase is primarily driven by our acquisition of 22 properties during the year ended December 31, 2015 , compared to our portfolio of 307 properties as of December 31, 2014 , most of which are triple net leases. The main exceptions are GSA properties for which certain expenses are not reimbursable by tenants.

Operating Fees to Affiliates

Operating fees to affiliates were $15.2 million for the year ended December 31, 2015 , compared to $0.8 million for the year ended December 31, 2014 . Operating fees to affiliates represent compensation paid to our Advisor for asset management services as well as property management fees paid to the Service Provider for our European investments. Prior to April 1, 2015 , we compensated our Advisor by issuing restricted performance based subordinated participation interests in the OP in the form of Class B units for asset management services. These Class B units converted to OP Units as of the Listing. During the years ended December 31, 2015 and 2014 , the board of directors approved the issuance of 1,020,580 and 682,351 , respectively, Class B units to the Advisor assuming a price of $9.00 per unit, all of which converted to OP Units upon Listing. There was no charge reflected in the financial statements for the issuance of class B units, until the Listing Date, at which time they were no longer subject to forfeiture.

Our Service Provider and Property Manager are entitled to fees for the management of our properties. Property management fees are calculated as a percentage of gross revenues. During the years ended December 31, 2015 and 2014 , property management fees were $4.0 million and $1.3 million , respectively. The Property Manager elected to waive and $2.5 million and $0.7 million of the property management fees for the years ended December 31, 2015 and 2014 , respectively.

Acquisition and Transaction Related Expenses

Acquisition and transaction related expenses for the year ended December 31, 2015 of $6.1 million primarily related to the purchase of 22 properties with an aggregate purchase price of $255.0 million . Acquisition and transaction related expenses for the year ended December 31, 2014 of $83.5 million were incurred related to the 270 properties acquired during that period with an aggregate purchase price of $2.2 billion .

Listing Fees

During the year ended December 31, 2015 , we paid approximately $18.7 million in listing related fees in association with the Listing. The majority of these fees were paid to related parties, see Note 11 — Related Party Transactions for details of the breakdown.

Vesting of Class B units

Vesting of Class B units expense was $14.5 million for the year ended December 31, 2015 , relating to the vesting of Class B units previously issued to the Advisor for prior asset management services. The performance condition related to these Class B units was satisfied upon completion of the Listing and on June 2, 2015 , the Class B units were converted to OP Units on a one-to-one basis. We did not incur any expense relating to the vesting of Class B units for the year ended December 31, 2014 .

Change in Fair Value of Listing Note

The Listing Note fair value was zero as of December 31, 2015 . The Listing Note was marked-to-market quarterly, with changes in the value recorded in the consolidated statements of operations. The Listing Note measurement period ended on January 23, 2016 and no amounts were payable pursuant to its terms. Accordingly, the Listing Note will have no further affect on our operations.

General and Administrative Expenses

General and administrative expenses were $7.2 million for the year ended December 31, 2015 , primarily consisting of board member compensation, directors and officers' liability insurance, and professional fees including audit and taxation services. General and administrative expenses for the year ended December 31, 2014 were $4.3 million .

Equity Based Compensation

During the year ended December 31, 2015 , we recognized approximately $2.2 million of expense related to equity-based compensation primarily related to the amortization of the OPP and $0.2 million related to amortization of restricted shares granted to our independent directors.

Depreciation and Amortization Expense

Depreciation and amortization expense was $90.1 million and $40.4 million for the years ended December 31, 2015 and 2014 , respectively. The majority of the portfolio was acquired in 2014 . The purchase price of acquired properties is allocated to tangible and identifiable intangible assets and depreciated or amortized over the estimated useful lives. The increase in 2015 is due to our acquisition of 22 properties, as well as the prior acquisitions incurring a full year of depreciation and amortization expense in 2015 .

Income Tax (Expense) Benefit

We recognize income tax (expense) benefit for state taxes and local income taxes incurred, if any, in foreign jurisdictions in which we own properties. In addition, we perform an analysis of potential deferred tax or future tax benefit as a result of timing differences in taxes across jurisdictions. Our current income tax (expense) benefit fluctuates from period to period based primarily on the timing of those taxes. The income tax (expense) benefit was $(5.9) million and $1.4 million for the years ended December 31, 2015 and 2014 , respectively.

Interest Expense

Interest expense was $34.9 million and $14.9 million for the years ended December 31, 2015 and 2014 , respectively. The increase was primarily related to an increase in average borrowings and additional draws under our Credit Facility to fund our 2015 property acquisitions. In addition, during 2015 , we encumbered an additional 36 properties via mortgages.

We view a mix of secured and unsecured financing sources as an efficient and accretive means to acquire properties and manage working capital. Our interest expense in future periods will vary based on our level of future borrowings, which will depend on our refinancing needs and our acquisition activity.

Foreign Currency and Interest Rate Impact on Operations

There were minimal realized gains or (losses) on day-to-day foreign currency fluctuations for the year ended December 31, 2015 , reflecting the limited effect of day-to-day movements in foreign currency exchange rates. A loss on foreign currency of $0.2 million was realized for for the year ended December 31, 2014 .

The gains on derivative instruments of $3.9 million and $1.9 million for the years ended December 31, 2015 and 2014 , respectively, reflect the positive marked-to-market impact from foreign currency and interest rate hedge instruments used to protect the investment portfolio from adverse currency and interest rate movements, and was mainly driven by volatility in foreign currencies, particularly the Euro.

The gains on hedges and derivatives deemed ineffective of $5.1 million and $1.4 million for the years ended December 31, 2015 and 2014 , respectively, relate to the marked-to-market adjustments of slightly over-hedged portion of our European investments.

The unrealized losses on non-functional foreign currency advances that were not designated as net investment hedges for the year ended December 31, 2015 were $3.6 million . There were no corresponding gains or (losses) for the year ended December 31, 2014 . Effective May 17, 2015 , additional foreign currency advances were designated as net investment hedges.

Comparison of the Year Ended December 31, 2014 to the Year Ended December 31, 2013

We purchased 270 properties in 2014 compared to our portfolio of 37 properties as of December 31, 2013 . The results of operations for the year ended December 31, 2014 therefore reflect significant increases in most categories.

Rental Income

Rental income was $88.2 million for the year ended December 31, 2014 , compared to $3.9 million for the year ended December 31, 2013 . The increase in rental income was driven by our acquisition of 270 properties since December 31, 2013 for an aggregate purchase price of $2.4 billion , as of the respective acquisition dates. In addition, we had a full year of rental income on 37 properties acquired through December 31, 2013 .

Operating Expense Reimbursements

Operating expense reimbursements were $5.2 million for the year ended December 31, 2014 , compared to $0.1 million for the year ended December 31, 2013 . Pursuant to some of our lease agreements, tenants are required to reimburse us for property operating expenses, in addition to base rent, whereas under certain other lease agreements, the tenants are directly responsible for all operating costs of the respective properties. The operating expense reimbursement primarily reflects insurance expense and real estate taxes incurred by us and subsequently reimbursed by the tenant. Operating expense reimbursements increased due to our acquisition of 270 properties since December 31, 2013 , compared to our portfolio of 37 properties as of December 31, 2013 . In addition, we had a full year of operating expense reimbursements on these properties acquired through December 31, 2013 .

Property Operating Expense

Property operating expenses were $7.9 million for the year ended December 31, 2014 , compared to $42,000 for the year ended December 31, 2013 . Operating expenses increased as a result of our acquisition of 270 properties during the year ended December 31, 2014 , compared to our portfolio of 37 properties as of December 31, 2013 .

These costs primarily relate to real estate taxes and costs associated with maintaining insurance on our properties, which is incurred by us and is reimbursable by the tenants.

Operating Fees to Affiliate

Our Advisor is entitled to asset management fees in connection with providing asset management services. Effective January 1, 2013, the payment of asset management fees in cash, shares or restricted stock grants, or any combination thereof to the Advisor was eliminated. Instead we will issue (if approved by the board of directors) to the Advisor Class B units, which will be forfeited unless certain conditions are met. During the year ended December 31, 2014 the board of directors approved the issuance of 682,351 Class B units to the Advisor at an estimated fair value of $9.00 per unit. There was no charge reflected in the financial statements for the issuance of class B units, until the Listing Date, at which time they were no longer subject to forfeiture.

Our Service Provider and Property Manager are entitled to fees for the management of our properties. Property management fees are calculated as a percentage of gross revenues. During the years ended December 31, 2014 and 2013 , property management fees were $1.3 million and $50,000, respectively. The Property Manager elected to waive $0.7 million and $25,000 of the property management fees for the years ended December 31, 2014 and 2013 , respectively.

Acquisition and Transaction Related Expenses

Acquisition and transaction related expenses of $83.5 million were incurred for the year ended December 31, 2014 related to our acquisition of 270 properties during the year. Acquisition and transaction related expenses of $7.7 million were incurred related to the 36 properties purchased during the year ended December 31, 2013 .

General and Administrative Expenses

General and administrative expenses were $4.3 million for the year ended December 31, 2014 , compared to $0.1 million for the year ended December 31, 2013 . The increase in general and administrative expenses during the year, was primarily driven by higher costs to maintain our larger real estate portfolio, such as higher professional fees, including strategic advisory fees paid to a former affiliate of our Sponsor, taxes on foreign operations, board compensation and insurance costs.

Depreciation and Amortization Expense

Depreciation and amortization expense was $40.4 million for the year ended December 31, 2014 , compared to $2.1 million for the year ended December 31, 2013 . The increase in depreciation and amortization expense related to our acquisition of 270 properties during the year ended December 31, 2014 . In addition, we had a full year of depreciation and amortization on 37 properties acquired during 2013 .

The purchase price of acquired properties was allocated to tangible and identifiable intangible assets and is depreciated or amortized over the estimated useful life.

Income Tax (Expense) Benefit

We recognize current income tax expense for state taxes and local income taxes incurred, if any, in foreign jurisdictions in which we own properties. In addition, we perform an analysis of potential deferred tax or future tax benefit as a result of timing differences in taxes across jurisdictions. Our current income tax (expense) benefit fluctuates from period to period based primarily on the timing of those taxes. In 2014 we recognized a future income tax benefit of $1.4 million .

Interest Expense

Interest expense was $14.9 million for the year ended December 31, 2014 , compared to $1.0 million for the year ended December 31, 2013 . The increase in interest expense is related to the increase in mortgage notes payable outstanding as a result of our increased rate of property acquisitions during 2014 , along with an increase in the amortization of deferred financing costs associated with these borrowings. Interest expense also increased as a result of amounts drawn under our revolving Credit Facility.

In July 2013, we entered into a credit agreement which allows for total borrowings of up to $50.0 million. We have, at various times, amended the facility to increase the aggregate borrowings available and, on October 16, 2014, further amended the Credit Facility agreement to increase aggregate borrowings to $680.0 million. $659.3 million was outstanding under the facility as of December 31, 2014 . We did not utilize the facility during 2013.

We view a mix of secured and unsecured financing sources as an efficient and accretive means to acquire properties and manage working capital. Our interest expense in future periods will vary based on our level of future borrowings, which will depend on our refinancing needs and our acquisition activity.

Gains (Losses) on Foreign Currency

We had foreign currency exchange losses of $0.2 million for the year ended December 31, 2014 , compared to exchange gains of $35,000 for the year ended December 31, 2013 . Exchange gains and losses on foreign currency reflect the effect of changes in foreign currency exchange rates, primarily between the time deposits related to when acquisitions were made and the time the related transactions were consummated.

Cash Flows for the Year Ended December 31, 2015

During the year ended December 31, 2015 , net cash provided by operating activities was $102.2 million . The level of cash flows provided by operating activities is driven by the volume of acquisition activity, related rental income received and the amount of interest payments on outstanding borrowings. Cash flows provided in operating activities during the year ended December 31, 2015 also reflect $6.1 million of acquisition and transaction related costs.

Net cash used in investing activities during the year ended December 31, 2015 of $222.3 million primarily related to our acquisition of 22 properties with an aggregate base purchase price of $255.0 million , which were partially funded with borrowings under our Credit Facility and mortgage notes payable.

Net cash provided by financing activities of $121.6 million during the year ended December 31, 2015 related to proceeds, net of receivables, from the issuance of common stock of $0.4 million , borrowings under Credit Facility of $476.2 million , proceeds from mortgage notes payable of $245.5 million and net advances from affiliates of $0.4 million , partially offset by Common Stock repurchases of $127.3 million and repayments on Credit Facility of $373.2 million . Other payments included dividends to stockholders of $97.7 million and distributions to non-controlling interest holders of $0.6 million .

Cash Flows for the Year Ended December 31, 2014

During the year ended December 31, 2014, net cash used in operating activities was $9.7 million . The level of cash flows used in or provided by operating activities is affected by the volume of acquisition activity, the timing of interest payments and the amount of borrowings outstanding during the period, as well as the receipt of scheduled rent payments. Cash used in operating activities during the year ended December 31, 2014 reflects a net loss, after adjustments for non-cash items, of $13.1 million (net loss of $53.6 million adjusted for non-cash items including depreciation and amortization of tangible and intangible real estate assets, amortization of deferred financing costs, net realized and unrealized mark-to-market transactions of $3.3 million and share based compensation of $0.1 million). Operating cash flow during the year ended December 31, 2014 includes $83.5 million of acquisition and transaction related costs reflected in our net loss and an increase in prepaid expenses and other assets of $20.6 million primarily related to prepaid professional fees due for strategic advisory services from our Former Dealer Manager and receivables due from our Advisor related to absorbed costs. These cash outflows were partially offset by an increase in deferred rent of $10.4 million and increased accounts payable and accrued expenses of $15.7 million primarily related to accrued interest payable and local taxes.

Net cash used in investing activities during the year ended December 31, 2014 of $1.5 billion primarily related to our acquisition of 270 properties which were partially funded with borrowings under our Credit Facility. Net cash used in investing activities also includes a deposit of $0.8 million on a potential future acquisition.

Net cash provided by financing activities of $1.6 billion during the year ended ended December 31, 2014 related to proceeds, net of receivables, from the issuance of common stock of $1.6 billion and net borrowings under our Credit Facility of $240.0 million, partly offset by payments related to offering costs of $168.3 million, payments of deferred financing costs of $16.9 million, dividends to stockholders of $35.4 million and restricted cash increases of $5.4 million.

Cash Flows for the Year Ended December 31, 2013

During the year ended December 31, 2013, net cash used in operating activities was $3.6 million. The level of cash flows used in or provided by operating activities is affected by the volume of acquisition activity, the timing of interest payments and the amount of borrowings outstanding during the period, as well as the receipt of scheduled rent payments. Cash flows used in operating activities during the year ended December 31, 2013 included $7.7 million of acquisition and transaction related costs. Cash outflows included a net loss adjusted for non-cash items of $4.6 million (net loss of $7.0 million adjusted for non-cash items including depreciation and amortization of tangible and intangible real estate assets, amortization of deferred financing costs and share based compensation of $24,000), an increase in prepaid expenses of $1.8 million primarily related to prepaid professional fees due to strategic advisory services from our Former Dealer Manager and receivables due from our Advisor related to absorbed costs. These cash outflows were partially offset by an increase in accounts payable and accrued expenses of $1.9 million primarily related to accrued interest payable, local taxes and a roof repair credit received from a seller at acquisition as well as an increase in deferred rent of $0.9 million.

Net cash used in investing activities during the year ended December 31, 2013 of $111.5 million primarily related to our acquisition of 36 properties, which were partially funded with mortgage notes payable. Net cash used in investing activities also includes a deposit of $1.5 million on a potential future acquisition.

Net cash provided by financing activities of $124.2 million during the year ended December 31, 2013 related to proceeds, net of receivables, from the issuance of common stock of $148.9 million, partially offset by payments related to offering costs of $18.8 million, payments of deferred financing costs of $2.3 million, dividends to stockholders of $1.8 million, net advances from affiliates of $1.0 million and restricted cash increases of $0.7 million.

Liquidity and Capital Resources

As of December 31, 2015 , we had cash and cash equivalents of $69.9 million of which, on January 20, 2016, we had utilized to pay down $20.0 million of our US dollar advances on our Credit Facility. Principal future demands on cash and cash equivalents will include the purchase of additional properties or other investments in accordance with our investment strategy, payment of related acquisition costs, improvement costs, the payment of our operating and administrative expenses, continuing debt service obligations and dividends to our stockholders. Management expects that operating income from our properties should cover operating expenses and the payment of our monthly dividend.

Generally, we fund our acquisitions through a combination of cash and cash equivalents with mortgage or other debt, but we also may acquire assets free and clear of permanent mortgage or other indebtedness. See Note 5 — Mortgage Notes Payable to our audited consolidated financial statements in this Annual Report on Form 10-K for further discussion. Other potential future sources of capital include proceeds from secured or unsecured financings from banks or other lenders, proceeds from future offerings, proceeds from the sale of properties and undistributed cash from operations, if any.

As of December 31, 2015 , we have a revolving Credit Facility that currently permits us to borrow up to $740.0 million . The initial maturity date of the Credit Facility is July 25, 2016 . The Credit Facility also contains two one-year automatic extension options, subject to certain conditions. See Note 4 — Revolving Credit Facility to our audited consolidated financial statements in this Annual Report on Form 10-K for further discussion of the terms and conditions of this facility.

As of December 31, 2015 , total outstanding advances under the Credit Facility were $717.3 million . The unused borrowing capacity, based on the value of the borrowing base properties as of December 31, 2015 was $22.7 million .

As of December 31, 2015 , we had secured mortgage notes payable and mortgage premium of $532.4 million and outstanding advances under our Credit Facility of $717.3 million . Our debt leverage ratio was 47.5% (total debt as a percentage of total purchase price of real estate investments, based on the exchange rate at the time of purchase) as of December 31, 2015 .

Loan Obligations

Our loan obligations generally require principal and interest amounts payable monthly with all unpaid principal and interest due at maturity. Our loan agreements stipulate compliance with specific reporting covenants. As of December 31, 2015 , we were in compliance with the debt covenants under our loan agreements.

Our Advisor may, with approval from our independent board of directors, seek to borrow short-term capital that, combined with secured mortgage financing, exceeds our targeted leverage ratio. Such short-term borrowings may be obtained from third-parties on a case-by-case basis as acquisition opportunities present themselves simultaneous with our capital raising efforts. We view the use of short-term borrowings as an efficient and accretive means of acquiring real estate in advance of raising equity capital. Accordingly, we can take advantage of buying opportunities as we expand our fund raising activities. As additional equity capital is obtained, these short-term borrowings will be repaid.

On April 7, 2015 , our board of directors approved the termination of our SRP. We processed all of the requests received under the SRP in the first quarter of 2015 and will not process further requests.

The following table reflects the cumulative number of common shares repurchased as of December 31, 2015 and 2014 :

	Number of Shares Repurchased	Weighted Average Price per Share
Cumulative repurchases as of December 31, 2014	99,969	$ 9.91
Redemptions	135,123	9.78
Shares repurchased under Tender Offer	11,904,762	10.50
Cumulative repurchases as of December 31, 2015	12,139,854	$ 10.49

In addition, in April 2015 we suspended its DRIP and terminated its SRP. We have enjoyed high participation in DRIP and its suspension will result in higher monthly cash dividend payments which will be funded from cash earned from the investment portfolio. The termination of SRP will have a positive but immaterial impact for liquidity purposes.

Acquisitions

In connection with our financings, our Advisor previously received a financing coordination fee equal to 0.75% of the amount made available or outstanding under such financing, subject to certain limitations. On June 2, 2015 , we entered into Advisory Agreement by and among us, the OP and the Advisor, which, among other things, terminated the financing coordination fee. See Note 11 — Related Party Transactions of the notes to our consolidated financial statements.

Non-GAAP Financial Measures

This section includes non-GAAP financial measures, including Funds from Operations, Core Funds from Operations and Adjusted Funds from Operations. A description of these non-GAAP measures and reconciliations to the most directly comparable GAAP measure, which is net income, is provided below.

Funds from Operations, Core Funds from Operations and Adjusted Funds from Operations

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts ("NAREIT"), an industry trade group, has promulgated a measure known as funds from operations ("FFO"), which we believe to be an appropriate supplemental measure to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental performance measure. FFO is not equivalent to net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004 (the "White Paper"). The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of property but including asset impairment writedowns, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO. Our FFO calculation complies with NAREIT's definition.

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, and straight-line amortization of intangibles, which implies that the value of a real estate asset diminishes predictably over time, especially if not adequately maintained or repaired and renovated as required by relevant circumstances or as requested or required by lessees for operational purposes in order to maintain the value disclosed. We believe that, because real estate values historically rise and fall with market conditions, including inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using historical accounting for depreciation and certain other items may be less informative. Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate related depreciation and amortization, among other things, provides a more complete understanding of our performance to investors and to management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net

income. However, FFO, core funds from operations ("Core FFO") and adjusted funds from operations ("AFFO"), as described below, should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP FFO, Core FFO and AFFO measures and the adjustments to GAAP in calculating FFO, Core FFO and AFFO. Other REITs may not define FFO in accordance with the current NAREIT definition (as we do) or may interpret the current NAREIT definition differently than we do and/or calculate Core FFO and/or AFFO differently than we do. Consequently, our presentation of FFO, Core FFO and AFFO may not be comparable to other similarly titled measures presented by other REITs.

We consider FFO, Core FFO and AFFO useful indicators of our performance. Because FFO calculations exclude such factors as depreciation and amortization of real estate assets and gains or losses from sales of operating real estate assets (which can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates), FFO facilitates comparisons of operating performance between periods and between other REITs in our peer group.

Changes in the accounting and reporting promulgations under GAAP (for acquisition fees and expenses from a capitalization/depreciation model to an expensed-as-incurred model) that were put into effect in 2009 and other changes to GAAP accounting for real estate subsequent to the establishment of NAREIT's definition of FFO have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses for all industries as items that are expensed under GAAP, that are typically accounted for as operating expenses.

Core FFO is FFO, excluding acquisition and transaction related costs as well as certain other costs that are considered to be non-core, such as charges relating to the Listing Note and listing related fees. The purchase of properties, and the corresponding expenses associated with that process, is a key operational feature of our business plan to generate operational income and cash flows in order to make dividend payments to stockholders. In evaluating investments in real estate, we differentiate the costs to acquire the investment from the operations derived from the investment. By excluding expensed acquisition and transaction related costs as well as non-core costs, we believe Core FFO provides useful supplemental information that is comparable for each type of real estate investment and is consistent with management's analysis of the investing and operating performance of our properties.

We exclude certain income or expense items from AFFO that we consider more reflective of investing activities, other non-cash income and expense items and the income and expense effects of other activities that are not a fundamental attribute of our business plan. These items include unrealized gains and losses, which may not ultimately be realized, such as gains or losses on contingent valuation rights, gains and losses on investments and early extinguishment of debt. We also exclude dividends on Class B OP Units as the related shares are assumed to have converted to common stock in our calculation of fully diluted weighted average shares of common stock. In addition, by excluding non-cash income and expense items such as amortization of above-market and below-market leases intangibles, amortization of deferred financing costs, straight-line rent and equity-based compensation from AFFO, we believe we provide useful information regarding income and expense items which have no cash impact and do not provide liquidity to the company or require capital resources of the company. By providing AFFO, we believe we are presenting useful information that assists investors and analysts to better assess the sustainability of our ongoing operating performance without the impacts of transactions that are not related to the ongoing profitability of our portfolio of properties. We also believe that AFFO is a recognized measure of sustainable operating performance by the REIT industry. Further, we believe AFFO is useful in comparing the sustainability of our operating performance with the sustainability of the operating performance of other real estate companies that are not making a significant number of acquisitions. Investors are cautioned that AFFO should only be used to assess the sustainability of our operating performance excluding these activities, as it excludes certain costs that have a negative effect on our operating performance during the periods in which these costs are incurred.

In calculating AFFO, we exclude certain expenses, which under GAAP are characterized as operating expenses in determining operating net income. These expenses are paid in cash by us, and therefore such funds will not be available to distribute to investors. All paid and accrued merger, acquisition and transaction related fees and certain other expenses negatively impact our operating performance during the period in which expenses are incurred or properties are acquired will also have negative effects on returns to investors, the ability to fund dividends or distributions in the future, and cash flows generated by us, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property and certain other expenses. AFFO that excludes such costs and expenses would only be comparable to companies that did not have such activities. Further, under GAAP, certain contemplated non-cash fair value and other non-cash adjustments are considered operating non-cash adjustments to net income in determining cash flow from operating activities. In addition, we view fair value adjustments as items which are unrealized and may not ultimately be realized. We view both gains and losses from fair value adjustments as items which are not reflective of ongoing operations and are therefore typically adjusted for when assessing operating performance. Excluding income and expense items detailed above from our calculation of AFFO provides information consistent with management's analysis of the operating performance of the properties. Additionally, fair value adjustments, which are based on the impact of current market fluctuations and underlying assessments of general market conditions, but can also result from operational factors such as rental and occupancy rates, may not be directly related or attributable to our current operating performance. By excluding such changes that may reflect anticipated and unrealized gains or losses, we believe AFFO provides useful supplemental information.

As a result, we believe that the use of FFO, Core FFO and AFFO, together with the required GAAP presentations, provide a more complete understanding of our performance relative to our peers and a more informed and appropriate basis on which to make decisions involving operating, financing, and investing activities.

The table below reflects the items deducted or added to net income (loss) attributable to stockholders in our calculation of FFO, Core FFO and AFFO for the periods indicated. We have calculated our FFO, Core FFO and AFFO based on our net income (loss) attributable to stockholders, and all adjustments are made based on our gross adjustments, without excluding the portion of the adjustments attributable to our non-controlling interests. The Company previously disclosed FFO and modified funds from operations as Non-GAAP measures. Prior periods have been recast based on the Non-GAAP Financial Measurements presented. Management believes these Non-GAAP measures are more meaningful to the users of our financial statements given our Listing.

	Three Months Ended				Year Ended
(In thousands)	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	December 31, 2015
Net income (loss) attributable to stockholders (in accordance with GAAP)	$ 25,855	$ (45,664)	$ 5,432	$ 12,312	$ (2,065)
Depreciation and amortization	21,114	22,089	22,949	23,918	90,070
FFO (as defined by NAREIT) attributable to stockholders	46,969	(23,575)	28,381	36,230	88,005
Acquisition and transaction fees	1,085	212	4,680	76	6,053
Listing fees	—	18,503	—	150	18,653
Vesting of Class B units upon Listing	—	14,480	—	—	14,480
Change in fair value of Listing Note	—	4,430	(1,050)	(3,380)	—
Core FFO	48,054	14,050	32,011	33,076	127,191
Non-cash equity based compensation	8	510	1,917	(90)	2,345
Non-cash portion of interest expense	1,944	1,994	2,306	2,365	8,609
Class B distributions	124	309	(94)	—	339
Non-recurring general and administrative expenses [(1)]	—	—	188	302	490
Straight-line rent	(4,439)	(3,437)	(3,697)	(3,236)	(14,809)
Amortization of above- and below- market leases and ground lease assets and liabilities, net	109	101	94	(52)	252
Realized losses on investment securities	—	—	66	—	66
(Gains) losses on hedges and derivatives deemed ineffective	(1,448)	508	(1,505)	(2,679)	(5,124)
Unrealized (gains) losses on non-functional foreign currency advances not designated as net investment hedges	(8,907)	11,842	—	623	3,558
Amortization of mortgage premium	(42)	(202)	(123)	(122)	(489)
AFFO	$ 35,403	$ 25,675	$ 31,163	$ 30,187	$ 122,428

(1) Represents the Company's estimate of non-recurring internal audit service fees associated with its SOX readiness efforts and other non-recurring charges.

Dividends

We pay dividends on the 15th day of each month at a rate of $0.059166667 per share to stockholders of record as of close of business on the 8th day of such month.

The amount of dividends payable to our stockholders is determined by our board of directors and is dependent on a number of factors, including funds available for dividends, our financial condition, capital expenditure requirements, as applicable, requirements of Maryland law and annual dividend requirements needed to maintain our status as a REIT for U.S. federal income tax purposes under the Code. Dividend payments are dependent on the availability of funds. Our board of directors may reduce the amount of dividends paid or suspend dividend payments at any time and therefore dividend payments are not assured. There is no assurance that we will continue to declare dividends at this rate.

During the year ended December 31, 2015 , dividends paid to common stockholders and OP Units holders were $127.0 million , inclusive of $28.6 million of dividends reinvested pursuant the DRIP and $0.6 million of distributions paid for OP Units. During the year ended December 31, 2015 , cash used to pay dividends was generated from cash flows from operations, the net proceeds of our IPO and Common Stock issued under the DRIP.

The following table shows the sources for the payment of dividends to common stockholders for the periods indicated:

	Three Months Ended								Year Ended	
	March 31, 2015		June 30, 2015		September 30, 2015		December 31, 2015		December 31, 2015	
(In thousands)		Percentage of Dividends		Percentage of Dividends		Percentage of Dividends		Percentage of Dividends		Percentage of Dividends
Dividends:										
Dividends to stockholders [(1)]	$ 31,275		$ 35,087		$ 29,957		$ 29,989		$ 126,308	
Other distributions [(2)]	—		—		321		321		642	
Total dividends	$ 31,275		$ 35,087		$ 30,278		$ 30,310		$ 126,950	
Source of dividend coverage:										
Cash flows provided by operations	$ 14,268	45.6%	$ 23,516	67.0%	$ 30,278	100.0%	$ 30,310	100.0%	$ 98,372	77.5%
Proceeds from issuance of Common Stock	—	—%	—	—%	—	—%	—	—%	—	—%
Common Stock issued under the DRIP	17,007	54.4%	11,571	33.0%	—	—%	—	—%	28,578	22.5%
Total sources of dividend coverage	$ 31,275	100.0%	$ 35,087	100.0%	$ 30,278	100.0%	$ 30,310	100.0%	$ 126,950	100.0%
Cash flows provided by operations (GAAP basis) [(3)]	$ 34,489		$ 9,948		$ 56,453		$ 1,265		$ 102,155	
Net income (loss) attributable to stockholders (in accordance with GAAP)	$ 25,855		$ (45,664)		$ 5,432		$ 12,312		$ (2,065)	

(1) Dividends for the periods indicated above include cash dividends paid and DRIP dividends issued, and exclude dividends related to Class B units (prior to conversion to OP Units).

(2) Includes distributions paid of $0.6 million for the OP Units. For the year ended December 31, 2015 total accrued and unpaid distributions to the participating LTIP Units were $0.4 million and therefore were not included in the table above as they remain unpaid as of December 31, 2015 .

(3) Cash flows provided by operations for the year ended December 31, 2015 reflect acquisition and transaction related expenses of $6.1 million .

The following table compares cumulative dividends paid to cumulative net loss (in accordance with GAAP) for the period from July 13, 2011 (date of inception) through December 31, 2015 :

(In thousands)	For the Period from July 13, 2011 (date of inception) to December 31, 2015
Dividends paid:	
Common stockholders in cash	$ 134,931
Dividends reinvested in DRIP	74,784
Vested restricted stockholders in cash	20
Other [1]	642
Total dividends paid	$ 210,377
Reconciliation of net loss:	
Revenues	$ 302,696
Acquisition and transaction-related expenses	(97,524)
Listing fees	(18,653)
Vesting of Class B units	(14,480)
Equity based compensation	(2,345)
Depreciation and amortization	(132,590)
Other operating expenses	(53,930)
Income tax benefit (expense)	(4,458)
Other non-operating expense	(41,743)
Non-controlling interest	(50)
Net loss attributable to stockholders (in accordance with GAAP) [2]	$ (63,077)

---

(1) Includes amounts paid related to participating OP Units. For the year ended December 31, 2015 total accrued and unpaid distributions to the participating LTIP Units were $0.4 million and therefore were not included in the table above as they remain unpaid as of December 31, 2015 .

(2) 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.

Foreign Currency Translation

Our reporting currency is the U.S. dollar. The functional currency of our foreign investments is the applicable local currency for each foreign location in which we invest. Assets and liabilities in these foreign locations (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. The amounts reported in the consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment is recorded as a component of accumulated other comprehensive income (loss) in the consolidated statements of changes in equity.

Contractual Obligations

The following table presents our estimated future payments under contractual obligations at December 31, 2015 and the effect these obligations are expected to have on our liquidity and cash flow in the specified future periods:

(In thousands)	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Principal on mortgage notes payable	$ 531,708	$ 758	$ 106,893	$ 407,757	$ 16,300
Interest on mortgage notes payable [(1)]	62,242	16,196	29,581	15,964	501
Principal on credit facility [(2)]	717,286	717,286	—	—	—
Interest on credit facility [(1)]	8,426	8,426	—	—	—
Operating ground lease rental payments due	49,092	1,306	2,614	2,614	42,558
Total [(3) (4)]	$ 1,368,754	$ 743,972	$ 139,088	$ 426,335	$ 59,359

____

(1) Based on interest rates at December 31, 2015 .

(2) The initial maturity date of the Credit Facility is July 25, 2016 with two one-year extension options, subject to certain conditions.

(3) Amounts in the table above that relate to our foreign operations are based on the exchange rate of the local currencies at December 31, 2015 , which consisted primarily of the Euro and British Pounds. At December 31, 2015 , we had no material capital lease obligations for which we were the lessee, either individually or in the aggregate.

(4) Derivative payments are not included in this table due to the uncertainty of the timing and amounts of payments. Additionally, as derivatives can be settled at any point in time, they are generally not considered long-term in nature.

Credit Facility

On July 25, 2013 , we through the OP, entered into a Credit Facility that provided for aggregate revolving loan borrowings of up to $50.0 million (subject to borrowing base availability). The Credit Facility has been amended at various times, and maximum borrowings have increased to $740.0 million , with the most recent increase being on August 24, 2015. We had $717.3 million and $659.3 million outstanding under the Credit Facility as of December 31, 2015 and 2014 , respectively.

Foreign currency draws under the Credit Facility are designated as net investment hedges of our investments during the periods reflected in the consolidated statements of operations. See Note 8 — Derivatives and Hedging Activities to our audited consolidated financial statements in this Annual Report on Form 10-K for further discussion.

Election as a REIT

We qualified to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Code, commencing with our taxable year ended December 31, 2013. Commencing with such taxable year, we were organized and operate in such a manner as to qualify for taxation as a REIT under the Code. We intend to continue to operate in such a manner to qualify for taxation as a REIT, but no assurance can be given that we will operate in a manner so as to remain qualified as a REIT for U.S. federal income tax purposes. In order to continue to qualify for taxation as a REIT, we must, among other things, distribute annually at least 90% of our REIT taxable income. REITs are subject to a number of other organizational and operational requirements. Even if we continue to qualify for taxation as a REIT, we may be subject to certain federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income and state, local or foreign income, franchise, property and transfer taxes. Any of these taxes decrease our earnings and our available cash.

In addition, our international assets and operations, including those designated as direct or indirect qualified REIT subsidiaries or other disregarded entities of a REIT, continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted.

Inflation

We may be adversely impacted by inflation on any leases that do not contain indexed escalation provisions. In addition, we may be required to pay costs for maintenance and operation of properties which may adversely impact our results of operations due to potential increases in costs and operating expenses resulting from inflation.

Related-Party Transactions and Agreements

We have entered into agreements with affiliates of our Sponsor, whereby we have paid or may in the future pay certain fees or reimbursements to our Advisor or its affiliates and entities under common ownership with our Advisor in connection with items such as acquisition and financing activities, transfer agency services, asset and property management services and reimbursement of operating and offering related costs. The predecessor to AR Global is a party to a services agreement with RCS Advisory Services, LLC, a subsidiary of the parent company of the Former Dealer Manager ("RCS Advisory"), pursuant to which RCS Advisory and its affiliates provided us and certain other companies sponsored by AR Global with services (including, without limitation, transaction management, compliance, due diligence, event coordination and marketing services, among others) on a time and expenses incurred basis or at a flat rate based on services performed. The predecessor to AR Global instructed RCS Advisory to stop providing such services in November 2015 and no services have since been provided by RCS Advisory. We are also party to a transfer agency agreement with American National Stock Transfer, LLC, a subsidiary of the parent company of the Former Dealer Manager ("ANST"), pursuant to which ANST provided us with transfer agency services (including broker and stockholder servicing, transaction processing, year-end IRS reporting and other services), and supervisory services overseeing the transfer agency services performed by a third-party transfer agent. AR Global received written notice from ANST on February 10, 2016 that it would wind down operations by the end of the month and would withdraw as the transfer agent effective February 29, 2016. Our current provider of sub-transfer agency services will provide us with transfer agency services (including broker and stockholder servicing, transaction processing, year-end IRS reporting and other services) until we enter into a definitive transfer agency agreement with a transfer agent. See Note 11 — Related Party Transactions to our audited consolidated financial statements included in this Annual Report on Form 10-K for a discussion of the various related party transactions, agreements and fees.

In addition, the limited partnership agreement of the OP was amended as of December 31, 2013 to allow the special allocation, solely for tax purposes, of excess depreciation deductions of up to $10.0 million to our Advisor, a limited partner of the OP. In connection with this special allocation, our Advisor has agreed to restore a deficit balance in its capital account in the event of a liquidation of the OP and has agreed to provide a guaranty or indemnity of indebtedness of the OP. Our Advisor is directly or indirectly controlled by certain officers and directors.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of December 31, 2015 that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors other than our future obligations under nonconcealable operating ground leases (see Note 10 — Commitments and Contingencies and Contractual Obligations for details).

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, and equity prices. The primary risks to which we are exposed are interest rate risk and foreign currency exchange risk, and we are also exposed to further market risk as a result of concentrations of tenants in certain industries and/or geographic regions. Adverse market factors can affect the ability of tenants in a particular industry/region to meet their respective lease obligations. In order to manage this risk, we view our collective tenant roster as a portfolio, and in our investment decisions we attempt to diversify our portfolio so that we are not overexposed to a particular industry or geographic region.

Generally, we do not use derivative instruments to hedge credit/market risks or for speculative purposes. However, from time to time, we may enter into foreign currency forward contracts to hedge our foreign currency cash flow exposures.

Interest Rate Risk

The values of our real estate and related fixed-rate debt obligations are subject to fluctuations based on changes in interest rates. The value of our real estate is also subject to fluctuations based on local and regional economic conditions and changes in the creditworthiness of lessees, all of which may affect our ability to refinance property-level mortgage debt when balloon payments are scheduled, if we do not choose to repay the debt when due. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political conditions, and other factors beyond our control. An increase in interest rates would likely cause the fair value of our owned and managed assets to decrease, which would create lower revenues from managed assets and lower investment performance for the Managed REITs. Increases in interest rates may also have an impact on the credit profile of certain tenants.

We are exposed to the impact of interest rate changes primarily through our borrowing activities. We obtained, and may in the future obtain, variable-rate, non-recourse mortgage loans, and as a result, we have entered into, and may continue to enter into, interest rate swap agreements or interest rate cap agreements with lenders. Interest rate swap agreements effectively convert the variable-rate debt service obligations of the loan to a fixed rate, while interest rate cap agreements limit the underlying interest rate from exceeding a specified strike rate. Interest rate swaps are agreements in which one party exchanges a stream of interest

payments for a counterparty's stream of cash flows over a specific period, and interest rate caps limit the effective borrowing rate of variable-rate debt obligations while allowing participants to share in downward shifts in interest rates. These interest rate swaps and caps are derivative instruments designated as cash flow hedges on the forecasted interest payments on the debt obligation. The face amount on which the swaps or caps are based is not exchanged. Our objective in using these derivatives is to limit our exposure to interest rate movements. At December 31, 2015 , we estimated that the total fair value of our interest rate swaps, which are included in Derivatives, at fair value in the consolidated financial statements, was in a net liability position of $0.2 million (Note 8 — Derivatives and Hedging Activities).

As of December 31, 2015 , our total consolidated debt included borrowings under our Credit Facility and secured mortgage financings, with a total carrying value of $1.2 billion , and a total estimated fair value of $1.3 billion and a weighted average effective interest rate per annum of 2.5% . At December 31, 2015 , a significant portion (approximately 63.4%) of our long-term debt either bore interest at fixed rates, or was swapped to a fixed rate. The annual interest rates on our fixed-rate debt at December 31, 2015 ranged from 1.6% to 6.3% . The contractual annual interest rates on our variable-rate debt at December 31, 2015 ranged from 1.6% to 2.4% . Our debt obligations are more fully described in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Contractual Obligations above.

The following table presents future principal cash flows based upon expected maturity dates of our debt obligations outstanding at December 31, 2015 :

(In thousands)	Fixed-rate debt [1]	Variable-rate debt [1]
2016	[2] $ 347,292	[2] $ 370,752
2017	23,043	—
2018	31,050	52,800
2019	190,249	—
2020	183,958	33,550
Thereafter	16,300	—
Total	$ 791,892	$ 457,102

(1) Amounts are based on the exchange rate at December 31, 2015 , as applicable.

(2) The initial maturity date of the Credit Facility is July 25, 2016 with two one-year extension options, subject to certain conditions.

The estimated fair value of our fixed-rate debt and our variable-rate debt that currently bears interest at fixed rates or has effectively been converted to a fixed rate through the use of interest rate swaps is affected by changes in interest rates. A decrease or increase in interest rates of 1% would change the estimated fair value of this debt at December 31, 2015 by an aggregate increase of $2.2 million or an aggregate decrease of $1.9 million , respectively.

Annual interest expense on our unhedged variable-rate debt that does not bear interest at fixed rates at December 31, 2015 would increase or decrease by $4.0 million and $0.9 million , respectively for each respective 1% change in annual interest rates.

Foreign Currency Exchange Rate Risk

We own foreign investments, primarily in the European and as a result are subject to risk from the effects of exchange rate movements in various foreign currencies, primarily the Euro and the British pound sterling which may affect future costs and cash flows. We manage foreign currency exchange rate movements by generally placing our debt service obligation to the lender and the tenant's rental obligation to us in the same currency. This reduces our overall exposure to the net cash flow from that investment. In addition, we may use currency hedging to further reduce the exposure to our equity cash flow. We are generally a net receiver of these currencies (we receive more cash than we pay out), and therefore our foreign operations benefit from a weaker U.S. dollar, and are adversely affected by a stronger U.S. dollar, relative to the foreign currency.

The Company has designated all current foreign currency draws as net investment hedge to the extent of the Company's net investment in foreign subsidiaries. To the extent foreign draws in each currency exceed the net investment, the Company reflects the effects of changes in currency on such excess in earnings. As of December 31, 2015 , the Company had draws of £36.0 million and €27.9 million in excess of its net investments.

We enter into foreign currency forward contracts to hedge certain of our foreign currency cash flow exposures. A foreign currency forward contract is a commitment to deliver a certain amount of foreign currency at a certain price on a specific date in the future. The total estimated fair value of our foreign currency forward contracts, which are included in derivatives, at fair value in the consolidated balance sheets, was in a net asset position of $2.2 million at December 31, 2015 . We have obtained, and may in the future obtain, non-recourse mortgage financing in the local currency. To the extent that currency fluctuations increase or

decrease rental revenues as translated to U.S. dollars, the change in debt service, as translated to U.S. dollars, will partially offset the effect of fluctuations in revenue and, to some extent, mitigate the risk from changes in foreign currency exchange rates.

Scheduled future minimum rents, exclusive of renewals, under non-cancelable operating leases, for our foreign operations as of December 31, 2015 , during each of the next five calendar years and thereafter, are as follows (in thousands):

	Future Minimum Base Rent Payments (1)		
(In thousands)	Euro	British pound sterling	Total
2016	$ 39,777	$ 35,725	$ 75,502
2017	40,070	37,558	77,628
2018	40,367	38,320	78,687
2019	40,666	39,051	79,717
2020	40,945	39,757	80,702
Thereafter	234,646	304,719	539,365
Total	$ 436,471	$ 495,130	$ 931,601

---

(1) Based on the exchange rate as of December 31, 2015 .

Scheduled debt service payments (principal and interest) for mortgage notes payable for our foreign operations as of December 31, 2015 , during each of the next five calendar years and thereafter, are as follows (in thousands):

	Future Debt Service Payments (1)(2)		
	Mortgage Notes Payable		
(In thousands)	Euro	British pound sterling	Total
2016	$ —	$ —	$ —
2017	—	1,125	1,125
2018	—	30,714	30,714
2019	119,279	70,615	189,894
2020	62,579	121,007	183,586
Thereafter	—	—	—
Total	$ 181,858	$ 223,461	$ 405,319

	Future Debt Service Payments (1) (2)		
	Credit Facility (3)		
(In thousands)	Euro	British pound sterling	Total
2016	$ 314,604	$ 237,232	$ 551,836
2017	—	—	—
2018	—	—	—
2019	—	—	—
2020	—	—	—
Thereafter	—	—	—
Total	$ 314,604	$ 237,232	$ 551,836

---

(1) Based on the exchange rate as of December 31, 2015 . Contractual rents and debt obligations are denominated in the functional currency of the country of each property.

(2) Interest on unhedged variable-rate debt obligations was calculated using the applicable annual interest rates and balances outstanding at December 31, 2015 .

(3) The initial maturity of our Credit Facility is July 25, 2016 with two one-year extension options, subject to certain conditions (Note 4 — Revolving Credit Facility). Borrowings under our Credit Facility in foreign currencies are designated and effective as economic hedges of our net investments in foreign entities (Note 8 — Derivatives and Hedging Activities).

We currently anticipate that, by their respective due dates, we will have repaid or refinanced certain of these loans, but there can be no assurance that we will be able to refinance these loans on favorable terms, if at all. If refinancing has not occurred, we would expect to use our cash resources, including unused capacity on our Credit Facility, to make these payments, if necessary.

Concentration of Credit Risk

Concentrations of credit risk arise when a number of tenants are engaged in similar business activities or have similar economic risks or conditions that could cause them to default on their lease obligations to us. We regularly monitor our portfolio to assess potential concentrations of credit risk. While we believe our portfolio is reasonably well diversified, it does contain concentrations in excess of 10%, based on the percentage of our annualized rental income as of December 31, 2015 , in certain areas. See Item 2. Properties in this Annual Report on Form 10-K for further discussion on distribution across countries and industries.

Based on original purchase price, the majority of our properties are located in the U.S. (60.4%) and 39.6% are in Europe. The majority of our directly owned real estate properties and related loans are located in the United States and the Commonwealth of Puerto Rico 60.4% and the remaining are in Finland (6.1%), Germany (10.6%), The Netherlands (4.1%) and United Kingdom (18.8%) of our annualized rental income at December 31, 2015 . No individual tenant accounted for more than 10% of our annualized rental income at December 31, 2015 . At December 31, 2015 , our directly owned real estate properties contain significant concentrations in the following asset types: office (54%), industrial/distribution (30%), retail (15%) and other (1%).

Item 8. Financial Statements and Supplementary Data.

The information required by this Item 8 is hereby incorporated by reference to our Consolidated Financial Statements beginning on page F-1 of this Annual Report of Form 10-K.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) of the Exchange Act, we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded, as of December 31, 2015 , the end of such period, that our disclosure controls and procedures are effective in recording, processing, summarizing and reporting, within the time periods specified in the SEC rules and forms, information required to be disclosed by us in our reports that we file or submit under the Exchange Act, and in such information being accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Reporting on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) or 15d-15(f) promulgated under the Exchange Act.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015 . In making that assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control-Integrated Framework* (2013).

Based on its assessment, our management concluded that, as of December 31, 2015 , our internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated on their report, which is included on page F-2 in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2015 , there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

We have adopted a Code of Ethics that applies to all of our executive officers and directors, including but not limited to, our principal executive officer and principal financial officer. A copy of our code of ethics may be obtained, free of charge, by sending a written request to our executive office – 405 Park Avenue – 14th Floor, New York, NY 10022, attention Chief Financial Officer.

The information required by this Item will be set forth in our definitive proxy statement with respect to our 2016 annual meeting of shareholders to be filed on or before April 29, 2016 , and is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by this Item will be set forth in our definitive proxy statement with respect to our 2016 annual meeting of shareholders to be filed on or before April 29, 2016 , and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item will be set forth in our definitive proxy statement with respect to our 2016 annual meeting of shareholders to be filed on or before April 29, 2016 , and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be set forth in our definitive proxy statement with respect to our 2016 annual meeting of shareholders to be filed on or before April 29, 2016 , and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information required by this Item will be set forth in our definitive proxy statement with respect to our 2016 annual meeting of shareholders to be filed on or before April 29, 2016 , and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Financial Statement Schedules

See the Index to Consolidated Financial Statements at page F-1 of this report.

The following financial statement schedule is included herein at page F-44 of this report:

Schedule III – Real Estate and Accumulated Depreciation

(b) Exhibits

EXHIBITS INDEX

The following exhibits are included, or incorporated by reference, in this Annual Report on Form 10-K for the year ended December 31, 2015 (and are numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Description
3.1 (10)	Articles of Amendment to the Amended and Restated Charter of Global Net Lease, Inc. (f/k/a American Realty Capital Global Trust, Inc.), effective May 5, 2015.
3.2 (12)	Articles of Amendment of Global Net Lease, Inc. (f/k/a American Realty Capital Global Trust, Inc.)
3.3 (14)	Amended and Restated Bylaws of Global Net Lease, Inc.
4.1 (13)	Second Amended and Restated Agreement of Limited Partnership of Global Net Lease Operating Partnership, L.P., dated June 2, 2015, between Global Net Lease, Inc. and Global Net Lease Special Limited Partner, LLC.
10.1 (13)	Fourth Amended and Restated Advisory Agreement, dated June 2, 2015, among Global Net Lease, Inc., Global Net Lease Operating Partnership, L.P. and Global Net Lease Advisors, LLC.
10.2 (1)	Property Management and Leasing Agreement, dated April 20, 2012, among Global Net Lease, Inc. (f/k/a American Realty Capital Global Trust, Inc.), Global Net Lease Operating Partnership, L.P (f/k.a American Realty Capital Global Operating Partnership, L.P.) and Global Net Lease Properties, LLC) (f/k/a American Realty Capital Global Properties, LLC).
10.3 (11)	Amended and Restated Incentive Restricted Share Plan of Global Net Lease, Inc. (f/k/a American Realty Capital Global Trust, Inc.)
10.4 (1)	Company's Stock Option Plan
10.5 (2)	Agreement for the Sale and Purchase of Wickes Store, dated April 12, 2013, between Aviva Investors Pensions Limited and ARC WKBPLUK001, LLC.
10.6 (2)	Facility Letter, dated May 3, 2013, by and between ARC WKBPLUK001, LLC and Santander UK plc.
10.7 (3)	Asset Sale Contract, dated as of May 22, 2013, by and among Mapeley Acquisition Co (5) Limited, Jemma McAndrew and Richard Stanley and ARC EEMTRUK001, LLC.
10.8 (3)	Facility Letter, dated June 7, 2013, by and between ARC EEMTRUK001, LLC and Santander UK plc.
10.9 (3)	Agreement for Sale of 1, 2 and 3 Walnut Court, Kembrey Park, Swindon SN2 8BW.
10.10 (3)	Facility Letter, dated July 19, 2013, by and between ARC TWSWDUK001, LLC and Santander UK plc.
10.11 (3)	Agreement for the Sale of Land Lying to the North West of Reginald Mitchell Way, Tunstall, dated July 23, 2013, by and among (1) St James Place UK PLC and ARC WKSOTUK001, LLC.
10.12 (3)	Facility Letter, dated July 22, 2013, by and between ARC WKSOTUK001, LLC and Santander UK plc.
10.13 (3)	Credit Agreement, dated as of July 25, 2013, by and among American Realty Capital Global Partnership, L.P., JPMorgan Chase Bank, N.A., and the lenders and agents party thereto.
10.14 (4)	Agreement for Purchase and Sale of Real Property, dated as of August 19, 2013, by and between AR Capital, LLC and Alliance HSP Fort Washington Office I Limited Partnership.
10.15 (4)	Agreement for Purchase and Sale of Real Property, dated as of August 24, 2013, by and between AR Capital, LLC and Stein Family, LLC
10.16 (4)	Agreement related to the sale and leaseback of Solar House, dated 4 th September, 2013, by Northern Rock (Asset Management) PLC and ARC NRSLDUK001, LLC.
10.17 (4)	First Amendment to Agreement for Purchase and Sale of Real Property dated as of September 10, 2013, by and between Alliance AR Capital, LLC and Alliance HSP Fort Washington Office I Limited Partnership.
10.18 (4)	Facility Letter, dated September 4, 2013, by and between ARC NRSLDUK001, LLC and Santander UK plc.

Exhibit No.	Description
10.19 (5)	Purchase and Sale Agreement by and among ARC PADRBPA001, LLC and AR Capital, LLC and the sellers described on schedules thereto, dated as of July 24, 2013.
10.20 (6)	Agreement for Purchase and Sale of Real Property, dated September 3, 2013, by and between AR Capital, LLC and Towers Partners, L.L.C.
10.21 (6)	Amendment to Agreement for Purchase and Sale of Real Property, dated September 9, 2013 by and between AR Capital, LLC and Towers Partners, LLC.
10.22 (6)	Agreement to Assign Agreements of Sale, dated November 12, 2013, by and between Setzer Properties XCW, LLC and AR Capital, LLC.
10.23 (6)	Agreement for Purchase and Sale of Real Property, dated December 3, 2013, by and between AR Capital, LLC and 3W Development II, L.L.C.
10.24 (7)	Sale and purchase agreement, dated November 19, 2013, between Axiom Asset 1 GmbH & Co. KG and ARC RMNUSBER01, LLC.
10.25 (7)	Agreement for lease, dated December 24, 2013, between Coolatinney Developments Limited and ARC PFBFDUK001, LLC.
10.26 (7)	Sale and purchase agreement, dated December 31, 2013, among Crown Crest Property Developments Limited, ARC CCLTRUK001, LLC, Crown Crest (Leicester) Plc and Crown Crest Group Limited and Poundstretcher Limited.
10.27 (7)	Sale and purchase agreement, dated January 21, 2014, between Holaw (472) Limited and ARC ALSFDUK001, LLC.
10.28 (7)	Loan Agreement, dated February 5, 2014, between ARC RMNUSGER01 LLC and Deutsche Pfandbriefbank AG.
10.29 (7)	Facility Letter, dated January 30, 2014, between Santander UK Plc and ARC PFBDUK001, LLC.
10.30 (7)	Facility Letter, dated February 13, 2014, between Santander UK Plc and ARC CCLTRUK001, LLC.
10.31 (7)	Facility Agreement, dated March 7, 2014, among ARC ALSFDUK001, LLC, Royal Bank of Scotland International Limited and the other parties named therein.
10.32 (7)	Omnibus Amendment to Loan Documents, dated as of March 26, 2014, among American Realty Capital Global Partnership, L.P., JPMorgan Chase Bank, N.A., and the lenders and agents party thereto.
10.33 (8)	Agreement for Purchase and Sale of Real Property, dated April 29, 2014, between AR Capital, LLC and Mesa Real Estate Partners, L.P.
10.34 (8)	Third Amendment to Credit Agreement, dated as of June 24, 2014, among American Realty Capital Global Operating Partnership, the Company, ARC Global Holdco, LLC, JPMorgan Chase Bank, N.A. and the other parties named thereto.
10.35*	Fourth Amendment to Credit Agreement, dated as of July 29, 2014, among American Realty Capital Global Operating Partnership, the Company, ARC Global Holdco, LLC, JPMorgan Chase Bank, N.A. and the other parties named thereto.
10.36 *	Fifth Amendment to Credit Agreement, dated as of October 16, 2014, among American Realty Capital Global Operating Partnership, the Company, ARC Global Holdco, LLC, JPMorgan Chase Bank, N.A. and the other parties named thereto.
10.37*	Sixth Amendment to Credit Agreement, dated as of December 16, 2014, among American Realty Capital Global Trust, Operating Partnership, the Company, ARC Holdco. LLC. JPMorgan Chase Bank, N.A. and the other parties named thereto.
10.38 (13)	Seventh Amendment to Credit Agreement, dated June 1, 2015, among Global Net Lease Operating Partnership, L.P., Global Net Lease, Inc., ARC Global Holdco, LLC, the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent for the lenders.
10.39 (13)	Contribution and Exchange Agreement, dated June 2, 2015, between Global Net Lease Operating Partnership, L.P. and Global Net Lease Advisors, LLC.
10.40 (13)	Listing Note Agreement, dated June 2, 2015, between Global Net Lease Operating Partnership, L.P. and Global Net Lease Special Limited Partner, LLC.
10.41*	Second Amended and Restated 2015 Advisor Multi-Year Outperformance Agreement, dated February 25, 2016, among Global Net Lease, Inc., Global Net Lease Operating Partnership, L.P. and Global Net Lease Advisors, LLC.
10.42 (15)	Indemnification Agreement, dated June 2, 2015, among Global Net Lease, Inc., Scott J. Bowman, Peter M. Budko, Patrick J. Goulding, William M. Kahane, P. Sue Perrotty, Nicholas Radesca, Edward G. Rendell, Nicholas S. Schorsch, Abby M. Wenzel, Andrew Winer, Edward M. Weil, Jr., Global Net Lease Advisors, LLC, AR Capital, LLC and RCS Capital Corporation.

Exhibit No.	Description
10.43 (16)	Eighth Amendment to Credit Agreement, dated as of August 24, 2015, among Global Net Lease Operating Partnership, L.P., Global Net Lease, Inc., ARC Global Holdco, LLC, the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent for the lenders.
10.44 *	Indemnification Agreement between the Company and Timothy Salvemini, dated as of December 22, 2015.
14.1*	Amended and Restated Code of Business Conduct and Ethics
21.1*	List of Subsidiaries
16.1 (9)	Letter from Grant Thornton LLP to the Securities and Exchange Commission dated January 20, 2015.
31.1 *	Certification of the Principal Executive Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 *	Certification of the Principal Financial Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32 *	Written statements of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1 *	XBRL (eXtensible Business Reporting Language). The following materials from Global Net Lease, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Changes in Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to the Consolidated Financial Statements.

____

* Filed herewith
(1) Filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC on March 11, 2013.
(2) Filed as an exhibit to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed with the SEC on May 10, 2013.
(3) Filed as an exhibit to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed with the SEC on August 13, 2013.
(4) Filed as an exhibit to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 filed with the SEC on November 13, 2013.
(5) Filed as an exhibit to our Current Report on Form 8-K/A filed with the SEC on January 3, 2014.
(6) Filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 7, 2014.
(7) Filed as an exhibit to our Quarterly Report on Form 10-Q for the quarter ended March 30, 2014 filed with the SEC on May 15, 2014.
(8) Filed as an exhibit to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 filed with the SEC on August 11, 2014.
(9) Filed as an exhibit to our Current Report on Form 8-K filed with the SEC on January 20, 2015.
(10) Filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on April 3, 2015.
(11) Filed as an exhibit to our Current Report on Form 8-K filed with the SEC on April 9, 2015.
(12) Filed as an exhibit to our Current Report on Form 8-K filed with the SEC on May 6, 2015.
(13) Filed as an exhibit to our Current Report on Form 8-K filed with the SEC on June 2, 2015.
(14) Filed as an exhibit to our Current Report on Form 8-K filed with the SEC on June 3, 2015.
(15) Filed as an exhibit to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the SEC on August 10, 2015.
(16) Filed as an exhibit to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 filed with the SEC on November 10, 2015.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this 29th day of February, 2016 .

GLOBAL NET LEASE, INC.

By: /s/ Scott J. Bowman

Scott J. Bowman

CHIEF EXECUTIVE OFFICER AND PRESIDENT

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Capacity	Date
/s/ P. Sue Perrotty P. Sue Perrotty	Non-Executive Chair of the Board of Directors, Audit Committee Chair	February 29, 2016
/s/ William M. Kahane William M. Kahane	Director	February 29, 2016
/s/ Scott J. Bowman Scott J. Bowman	Chief Executive Officer and President (Principal Executive Officer)	February 29, 2016
/s/ Timothy Salvemini Timothy Salvemini	Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer and Principal Accounting Officer)	February 29, 2016
/s/ Edward G. Rendell Edward G. Rendell	Independent Director	February 29, 2016
/s/ Abby M. Wenzel Abby M. Wenzel	Independent Director	February 29, 2016

GLOBAL NET LEASE, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of December 31, 2015 and 2014	F-4
Consolidated Statements of Operations for the Years Ended December 31, 2015, 2014 and 2013	F-5
Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2015, 2014 and 2013	F-6
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2015, 2014 and 2013	F-7
Consolidated Statements of Cash Flows for the Years Ended December 31, 2015, 2014 and 2013	F-8
Notes to Consolidated Financial Statements	F-10
Financial Statement Schedule:	
Schedule III — Real Estate and Accumulated Depreciation	F-42

Financial statement schedules other than those listed above are omitted because the required information is given in the financial statements, including the notes thereto, or because the conditions requiring their filing do not exist.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Global Net Lease, Inc.:

In our opinion, the accompanying consolidated balance sheets as of December 31, 2015 and 2014 , and the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows for the years then ended present fairly, in all material respects, the financial position of Global Net Lease, Inc. and its subsidiaries as of December 31, 2015 and 2014 , and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index for the years ended December 31, 2015 and 2014 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015 , based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Reporting on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our audits (which was an integrated audit in 2015). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

New York, New York
February 29, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders

Global Net Lease, Inc.

We have audited the accompanying consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows of Global Net Lease, Inc. (a Maryland corporation) and subsidiaries (the "Company") for the year ended December 31, 2013. Our audit of the basic consolidated financial statements included the financial statement schedule listed in the accompanying index. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of Global Net Lease, Inc. and subsidiaries for the year ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
March 7, 2014

GLOBAL NET LEASE, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31,	
	2015	2014
ASSETS		
Real estate investments, at cost:		
Land	$ 341,911	$ 326,696
Buildings, fixtures and improvements	1,685,919	1,519,558
Construction in progress	180	9,706
Acquired intangible lease assets	518,294	484,079
Total real estate investments, at cost	2,546,304	2,340,039
Less accumulated depreciation and amortization	(133,329)	(42,568)
Total real estate investments, net	2,412,975	2,297,471
Cash and cash equivalents	69,938	64,684
Restricted cash	3,319	6,104
Derivatives, at fair value (Note 8)	5,812	13,638
Investment securities, at fair value	—	490
Prepaid expenses and other assets	38,393	24,873
Due from affiliates	136	500
Deferred tax assets	2,552	2,102
Goodwill and other intangible assets, net	2,988	3,665
Deferred financing costs, net	11,855	15,270
Total assets	$ 2,547,968	$ 2,428,797
LIABILITIES AND EQUITY		
Mortgage notes payable	$ 531,708	$ 281,186
Mortgage premium, net	676	1,165
Credit facility	717,286	659,268
Below-market lease liabilities, net	27,978	21,676
Derivatives, at fair value (Note 8)	6,028	6,115
Listing note, at fair value (Note 6)	—	—
Due to affiliates	399	400
Accounts payable and accrued expenses	18,659	14,791
Prepaid rent	15,491	12,252
Taxes payable	5,201	901
Deferred tax liability	4,016	3,665
Dividends payable	407	10,709
Total liabilities	1,327,849	1,012,128
Commitments and contingencies (Note 10)		
Equity:		
Preferred stock, $0.01 par value, 50,000,000 authorized, none issued and outstanding at December 31, 2015 and December 31, 2014	—	—
Common stock, $0.01 par value, 300,000,000 shares authorized, 168,936,633 and 177,933,175 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively	1,692	1,782
Additional paid-in capital	1,480,162	1,575,592
Accumulated other comprehensive loss	(3,649)	(5,589)
Accumulated deficit	(272,812)	(155,116)
Total stockholders' equity	1,205,393	1,416,669
Non-controlling interest	14,726	—
Total equity	1,220,119	1,416,669
Total liabilities and equity	$ 2,547,968	$ 2,428,797

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

	Year Ended December 31,		
	2015	2014	2013
Revenue:			
Rental income	$ 194,620	$ 88,158	$ 3,900
Operating expense reimbursements	10,712	5,225	51
Total revenues	205,332	93,383	3,951
Expenses:			
Property operating	18,180	7,947	42
Operating fees to affiliates	15,167	797	50
Acquisition and transaction related	6,053	83,498	7,745
Listing fees	18,653	—	—
Vesting of Class B units	14,480	—	—
Change in fair value of listing note	—	—	—
General and administrative	7,175	4,314	58
Equity based compensation	2,345	—	—
Depreciation and amortization	90,070	40,387	2,112
Total expenses	172,123	136,943	10,007
Operating income (loss)	33,209	(43,560)	(6,056)
Other income (expense):			
Interest expense	(34,864)	(14,852)	(969)
Income from investments	15	14	—
(Losses) gains on foreign currency	—	(186)	35
Realized losses on investment securities	(66)	—	—
Gains on derivative instruments	3,935	1,881	—
Gains on hedges and derivatives deemed ineffective	5,124	1,387	—
Unrealized losses on non-functional foreign currency advances not designated as net investment hedges	(3,558)	—	—
Other income	79	291	1
Total other expense, net	(29,335)	(11,465)	(933)
Net income (loss) before income taxes	3,874	(55,025)	(6,989)
Income taxes (expense) benefit	(5,889)	1,431	—
Net loss	(2,015)	(53,594)	(6,989)
Non-controlling interest	(50)	—	—
Net loss attributable to stockholders	$ (2,065)	$ (53,594)	$ (6,989)
Basic and Diluted Earnings Per Share:			
Basic and diluted net loss per share attributable to stockholders	$ (0.01)	$ (0.43)	$ (1.28)
Basic and diluted weighted average shares outstanding	174,309,894	126,079,369	5,453,404

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands, except share and per share data)

	Year Ended December 31,		
	2015	2014	2013
Net loss	$ (2,015)	$ (53,594)	$ (6,989)
Other comprehensive income (loss)			
Cumulative translation adjustment	(5,169)	(11,990)	2,140
Designated derivatives, fair value adjustments	6,982	6,082	(1,778)
Other comprehensive income (loss)	1,813	(5,908)	362
Comprehensive loss	$ (202)	$ (59,502)	$ (6,627)
Amounts attributable to non-controlling interest			
Net income	50	—	—
Cumulative translation adjustment	(197)	—	—
Designated derivatives, fair value adjustments	70	—	—
Comprehensive loss attributable to non-controlling interest	(77)	—	—
Comprehensive loss attributable to stockholders	$ (279)	$ (59,502)	$ (6,627)

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands, except share data)

	Common Stock							
	Number of Shares	Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity	Non-controlling interest	Total Equity
Balance, December 31, 2012	256,500	$ 3	$ (311)	$ (43)	$ (445)	$ (796)	$ —	$ (796)
Issuance of common stock	15,261,350	153	150,484	—	—	150,637	—	150,637
Common stock offering costs, commissions and dealer manager fees	—	—	(17,924)	—	—	(17,924)	—	(17,924)
Common stock issued through dividend reinvestment plan	138,977	1	1,319	—	—	1,320	—	1,320
Common stock repurchases	—	—	—	—	—	—	—	—
Share-based compensation	9,000	—	24	—	—	24	—	24
Dividends declared	—	—	—	—	(3,914)	(3,914)	—	(3,914)
Net loss	—	—	—	—	(6,989)	(6,989)	—	(6,989)
Cumulative translation adjustment	—	—	—		—	—	—	—
Designated derivatives, fair value adjustments	—	—	—	362	—	362	—	362
Balance, December 31, 2013	15,665,827	$ 157	$ 133,592	$ 319	$ (11,348)	$ 122,720	$ —	$ 122,720
Issuance of common stock	157,635,481	1,579	1,565,738	—	—	1,567,317	—	1,567,317
Common stock offering costs, commissions and dealer manager fees	—	—	(167,693)	—	—	(167,693)	—	(167,693)
Common stock issued through dividend reinvestment plan	4,721,780	47	44,839	—	—	44,886	—	44,886
Common stock repurchases	(99,969)	(1)	(990)	—	—	(991)	—	(991)
Share-based compensation	10,056	—	10	—	—	10	—	10
Amortization of restricted shares	—	—	96	—	—	96	—	96
Dividends declared	—	—	—	—	(90,174)	(90,174)	—	(90,174)
Net loss	—	—	—	—	(53,594)	(53,594)	—	(53,594)
Cumulative translation adjustment	—	—	—	(11,990)	—	(11,990)	—	(11,990)
Designated derivatives, fair value adjustments	—	—	—	6,082	—	6,082	—	6,082
Balance, December 31, 2014	177,933,175	$1,782	$ 1,575,592	$ (5,589)	$ (155,116)	$ 1,416,669	$ —	$ 1,416,669
Issuance of common stock	37,407	—	420	—	—	420	—	420
Common stock offering costs, commissions and dealer manager fees	—	—	49	—	—	49	—	49
Common stock repurchases, inclusive of fees	(12,039,885)	(120)	(126,202)	—	—	(126,322)	—	(126,322)
Common stock issued through dividend reinvestment plan	3,005,936	30	28,548	—	—	28,578	—	28,578
Dividends declared	—	—	—	—	(115,631)	(115,631)	—	(115,631)
Issuance of operating partnership units	—	—	—	—	—	—	750	750
Vesting of Class B units	—	—	—	—	—	—	14,480	14,480
Equity-based compensation	—	—	181	—	—	181	2,164	2,345
Distributions to non-controlling interest holders	—	—	—	—	—	—	(1,017)	(1,017)
Net loss	—	—	—	—	(2,065)	(2,065)	50	(2,015)
Cumulative translation adjustment	—	—	—	(4,972)	—	(4,972)	(197)	(5,169)
Designated derivatives, fair value adjustments	—	—	—	6,912	—	6,912	70	6,982
Rebalancing of ownership percentage	—	—	1,574	—	—	1,574	(1,574)	—
Balance, December 31, 2015	168,936,633	$1,692	$ 1,480,162	$ (3,649)	$ (272,812)	$ 1,205,393	$ 14,726	$ 1,220,119

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2015	2014	2013
Cash flows from operating activities:			
Net loss	$ (2,015)	$ (53,594)	$ (6,989)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation	47,649	20,856	837
Amortization of intangibles	42,421	19,531	1,275
Amortization of deferred financing costs	8,527	3,753	250
Amortization of mortgage premium	(489)	(498)	(1)
Amortization of below-market lease liabilities	(2,134)	(1,085)	(29)
Amortization of above-market lease assets	2,315	1,085	—
Amortization of above- and below- market ground lease assets	71	32	—
Unbilled straight line rent	(14,809)	(8,679)	(172)
Vesting of Class B units	14,480	—	—
Equity based compensation	2,345	106	24
Net realized and unrealized marked-to-market transactions	(8,903)	(3,272)	—
Change in fair value of listing note	—	—	—
Loss on sale of investment in securities	66	—	—
Changes in assets and liabilities:			
Prepaid expenses and other assets	31	(11,965)	(1,647)
Deferred tax assets	(450)	(2,102)	—
Accounts payable and accrued expenses	4,859	11,183	1,888
Prepaid rent	3,239	10,390	917
Deferred tax liability	(249)	3,665	—
Taxes payable	5,201	901	—
Net cash provided by (used in) operating activities	102,155	(9,693)	(3,647)
Cash flows from investing activities:			
Investment in real estate and real estate related assets	(223,075)	(1,507,072)	(110,026)
Deposits for real estate acquisitions	773	(775)	(1,474)
Proceeds from termination of derivatives	10,055	—	—
Capital expenditures	(10,495)	(8,838)	—
Purchase of investment securities	—	(490)	—
Proceeds from redemption of investment securities	463	—	—
Net cash used in investing activities	(222,279)	(1,517,175)	(111,500)
Cash flows from financing activities:			
Borrowings under credit facility	476,208	258,500	—
Repayments on credit facility	(373,167)	(18,500)	—
Proceeds from notes payable	—	12,505	—
Payments on notes payable	—	(12,505)	—
Proceeds from mortgage notes payable	245,483	—	—
Payments on mortgage notes payable	(721)	(135)	—
Proceeds from issuance of common stock	420	1,569,082	148,871
Proceeds from issuance of operating partnership units	750	—	—
Payments of offering costs	49	(168,270)	(18,770)
Payments of deferred financing costs	(4,881)	(16,888)	(2,345)
Dividends paid	(97,730)	(35,415)	(1,769)
Distributions to non-controlling interest holders	(642)	—	—
Payments on common stock repurchases, inclusive of fees	(2,313)	—	—
Payments on share repurchases related to Tender Offer	(125,000)	—	—
Advances from affiliates, net	363	(100)	(1,041)
Restricted cash	2,785	(5,367)	(737)

Net cash provided by financing activities	121,604	1,582,907	124,209
Net change in cash and cash equivalents	1,480	56,039	9,062
Effect of exchange rate changes on cash	3,774	(2,855)	2,176
Cash and cash equivalents, beginning of period	64,684	11,500	262
Cash and cash equivalents, end of period	$ 69,938	$ 64,684	$ 11,500

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2015	2014	2013
Supplemental Disclosures:			
Cash paid for interest	$ 24,625	$ 6,540	$ 218
Cash paid for income taxes	1,589	—	—
Non-Cash Investing and Financing Activities:			
Mortgage notes payable assumed or used to acquire investments in real estate	$ 31,933	$ 217,791	$ 75,651
Premium on mortgage note payable	—	—	1,664
Borrowings under line of credit to acquire real estate	—	446,558	—
Common stock issued through dividend reinvestment plan	28,578	44,886	1,320

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 — Organization

Global Net Lease, Inc. (the "Company"), formerly known as American Realty Capital Global Trust, Inc., incorporated on July 13, 2011, is a Maryland corporation that elected and qualified to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes beginning with our taxable year ended December 31, 2013.

The Company was formed to primarily acquire a diversified portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant net-leased commercial properties. The Company may also originate or acquire first mortgage loans secured by real estate. Based on original purchase price, 60.4% of our properties are located in the U.S. and the Commonwealth of Puerto Rico and 39.6% are in Europe. As of December 31, 2015 , we have not invested in any bridge loans, mezzanine loans, preferred equity or securitized loans.

On June 30, 2014 , the Company completed its initial public offering ("IPO") after selling 172.3 million shares of common stock, 0.01 par value per share ("Common Stock"), at a price of 10.00 per share, subject to certain volume and other discounts. In addition, the Company issued an additional 1.1 million shares pursuant to its dividend reinvestment plan (the "DRIP"). On April 7, 2015 , in anticipation of the listing of the Common Stock (the "Listing") on the New York Stock Exchange (the "NYSE"), the Company announced the suspension of the DRIP. On May 7, 2015, the Company filed a post-effective amendment to its Registration statement on Form S-11 (File No. 001-37390) (as amended, the "Registration Statement") to deregister the unsold shares registered under the Registration Statement.

The Company operated as a non-traded REIT through June 1, 2015 . On June 2, 2015 (the "Listing Date"), the Company listed its Common Stock on the NYSE under the symbol "GNL". In connection with the Listing, the Company offered to purchase up to 11.9 million shares of its Common Stock at a price of $10.50 per share (the "Tender Offer"). As a result of the Tender Offer, on July 6, 2015 , the Company purchased approximately 11.9 million shares of its Common Stock at a price of $10.50 per share, for an aggregate amount of $125.0 million , excluding fees and expenses relating to the Tender Offer and including fractional shares repurchased thereafter.

As of December 31, 2015 , the Company owned 329 properties (all references to number of properties and square footage are unaudited) consisting of 18.7 million rentable square feet, which were 100% leased, with a weighted average remaining lease term of 11.3 years.

Substantially all of the Company's business is conducted through Global Net Lease Operating Partnership, L.P. (the "OP"), a Delaware limited partnership. As of December 31, 2015 , the OP had issued 1,809,678 units of limited partner interests ("OP Units") to limited partners other than the Company, of which 1,461,753 OP Units were issued to Global Net Lease Advisors, LLC (the "Advisor"), 347,903 OP Units were issued to Moor Park Capital Partners LLP (the "Service Provider"), and 22 OP Units were issued to Global Net Lease Special Limited Partner, LLC (the "Special Limited Partner") (see Note 11 — Related Party Transactions). In accordance with the limited partnership agreement of the OP, a holder of OP Units has the right to convert OP Units for a corresponding number of shares of the Company's Common Stock or the cash value of those corresponding shares, at the Company's option. The remaining rights of the limited partner interests are limited and do not include the ability to replace the general partner or to approve the sale, purchase or refinancing of the OP's assets.

The Company has no direct employees. The Company has retained the Advisor to manage the Company's affairs on a day-to-day basis. The properties are managed and leased by Global Net Lease Properties, LLC (the "Property Manager"). The Advisor, Property Manager and Special Limited Partner are under common control with the parent of AR Capital Global Holdings, LLC (the "Sponsor"), as a result of which they are related parties. These related parties receive compensation and fees for various services provided to the Company. The Advisor has entered into a service provider agreement with the Service Provider, pursuant to which the Service Provider provides, subject to the Advisor's oversight, certain real estate related services, as well as sourcing and structuring of investment opportunities, performance of due diligence, and arranging debt financing and equity investment syndicates, solely with respect to investments in Europe. Realty Capital Securities, (the "Former Dealer Manager") served as the dealer manager of the IPO, which was ongoing from October 2012 to June 2014 and, together with its affiliates, continued to provide the Company with various services through December 31, 2015 . RCS Capital Corporation, the parent company of the Former Dealer Manager and certain of its affiliates that provided services to the Company, filed for Chapter 11 bankruptcy protection in January 2016, prior to which it was also under common control with AR Global, the parent of the Sponsor.

Note 2 — Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements of the Company are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All inter-company accounts and transactions have been eliminated in consolidation. In determining whether the Company has a controlling financial interest in a joint venture and the requirement to consolidate the accounts of that entity, management considers factors such as ownership interest, authority to make decisions and contractual and substantive participating rights of the other partners or members as well as whether the entity is a variable interest entity for which the Company is the primary beneficiary. As of December 31, 2015 , the Company does not have any investments in variable interest entities ("VIE").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management makes significant estimates regarding revenue recognition, purchase price allocations to record investments in real estate, real estate taxes, income taxes, derivative financial instruments, hedging activities, equity-based compensation expenses related to a Multi-Year Outperformance Agreement (the “OPP”) and fair value measurements, as applicable.

Offering and Related Costs

Offering and related costs include all expenses incurred in connection with the Company's IPO. Offering costs (other than selling commissions and the Former Dealer Manager fees) include costs have been paid by the Advisor, the Former Dealer Manager or their affiliates on the Company's behalf. These costs include but are not limited to (i) legal, accounting, printing, mailing, and filing fees; (ii) escrow service related fees; (iii) reimbursement of the Former Dealer Manager for amounts it may pay to reimburse the bona fide diligence expenses of broker-dealers; and (iv) reimbursement to the Advisor for a portion of the costs of its employees and other costs in connection with preparing supplemental sales materials and related offering activities. The Company is obligated to reimburse the Advisor or its affiliates, as applicable, for organization and offering costs paid by them on the Company's behalf, provided that the Advisor is obligated to reimburse us to the extent organization and offering costs (excluding selling commissions and the Former Dealer Manager fee) incurred by the Company in its offering exceed 1.5% of gross offering proceeds in the IPO. As a result, these costs are only our liability to the extent aggregate selling commissions, the dealer manager fee and other organization and offering costs do not exceed 11.5% of the gross proceeds determined at the end of the IPO.

Revenue Recognition

The Company's revenues, which are derived primarily from rental income, include rents that each tenant pays in accordance with the terms of each lease reported on a straight-line basis over the initial term of the lease. Because many of the Company's leases provide for rental increases at specified intervals, straight-line basis accounting requires the Company to record a receivable, and include in revenues, unbilled rent receivables that the Company will only receive if the tenant makes all rent payments required through the expiration of the initial term of the lease. When the Company acquires a property, the acquisition date is considered to be the commencement date for purposes of this calculation.

As of December 31, 2015 and 2014 , the Company included unbilled cumulative straight line rents receivable in Prepaid expenses and other assets in the consolidated balance sheets of $23.1 million and $8.7 million , respectively. As of December 31, 2015 and 2014 , the Company’s rental revenue included impacts of unbilled rental revenue of $14.5 million and $8.5 million , respectively, to adjust contractual rent to straight line rent.

The Company continually reviews receivables related to rent and unbilled rent receivables and determines collectability by taking into consideration the tenant’s payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. In the event that the collectability of a receivable is in doubt, the Company records an increase in the Company's allowance for uncollectible accounts or records a direct write-off of the receivable in the Company's consolidated statements of operations.

Cost recoveries from tenants are included in operating expense reimbursement in the period the related costs are incurred, as applicable.

Investments in Real Estate

Investments in real estate are recorded at cost. Improvements and replacements are capitalized when they extend the useful life of the asset. Costs of repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of up to 40 years for buildings, 15 years for land improvements, five years for fixtures and the shorter of the useful life or the remaining lease term for tenant improvements and leasehold interests.

The Company evaluates the inputs, processes and outputs of each asset acquired to determine if the transaction is a business combination or asset acquisition. If an acquisition qualifies as a business combination, the related transaction costs are recorded as an expense in the consolidated statements of operations. If an acquisition qualifies as an asset acquisition, the related transaction costs are generally capitalized and subsequently amortized over the useful life of the acquired assets.

In business combinations, the Company allocates the purchase price of acquired properties to tangible and identifiable intangible assets or liabilities and non-controlling interests based on their respective fair values. Tangible assets may include land, land improvements, buildings, fixtures and tenant improvements. Intangible assets or liabilities may include the value of in-place leases, above- and below- market leases and other identifiable assets or liabilities based on lease or property specific characteristics. In addition, any assumed mortgages receivable or payable and any assumed or issued non-controlling interests are recorded at their estimated fair values.

In allocating the fair value to assumed mortgages, amounts are recorded to debt premiums or discounts based on the present value of the estimated cash flows, which is calculated to account for either above or below-market interest rates.

Disposal of real estate investments that represent a strategic shift in operations that will have a major effect on the Company's operations and financial results are required to be presented as discontinued operations in the consolidated statements of operations. Properties that are intended to be sold are to be designated as “held for sale” on the consolidated balance sheets at the lesser of carrying amount or fair value less estimated selling costs when they meet specific criteria to be presented as held for sale. Properties are no longer depreciated when they are classified as held for sale. The Company didn't have any properties held for sale as of December 31, 2015 and 2014 .

The Company evaluates the lease accounting for each new property acquired with existing or new lease and reviews for any capital lease criteria. A lease is classified by a tenant as a capital lease if the significant risks and rewards of ownership are considered to reside with the tenant. This situation is generally considered to be met if, among other things, the non-cancelable lease term is more than 75% of the useful life of the asset or if the present value of the minimum lease payments equals 90% or more of the leased property’s fair value at lease inception.

Depreciation and Amortization

Depreciation is computed using the straight-line method over the estimated useful lives of up to 40 years for buildings, 15 years for land improvements, five years for fixtures and improvements and the shorter of the useful life or the remaining lease term for tenant improvements and leasehold interests.

Capitalized above-market lease values are amortized as a reduction of rental income over the remaining terms of the respective leases. Capitalized below-market lease values are amortized as an increase to rental income over the remaining terms of the respective leases and expected below-market renewal option periods.

Capitalized above-market ground lease values are amortized as a reduction of property operating expense over the remaining terms of the respective leases. Capitalized below-market ground lease values are amortized as an increase to property operating expense over the remaining terms of the respective leases and expected below-market renewal option periods.

The value of in-place leases, exclusive of the value of above-market and below-market in-place leases, is amortized to expense over the remaining periods of the respective leases.

Assumed mortgage premiums or discounts are amortized as an increase or reduction to interest expense over the remaining terms of the respective mortgages.

Impairment of Long Lived Assets

When circumstances indicate the carrying value of a property may not be recoverable, the Company reviews the asset for impairment. This review is based on an estimate of the future undiscounted cash flows, excluding interest charges, expected to result from the property’s use and eventual disposition. These estimates consider factors such as expected future operating income, market and other applicable trends and residual value, as well as the effects of leasing demand, competition and other factors. If impairment exists due to the inability to recover the carrying value of a property, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property for properties to be held and used. For properties held for sale, the impairment loss is the adjustment to fair value less estimated cost to dispose of the asset. These assessments have a direct impact on net income because recording an impairment loss results in an immediate negative adjustment to net income (loss).

Purchase Price Allocation

The Company allocates the purchase price of acquired properties to tangible and identifiable intangible assets acquired based on their respective fair values. Tangible assets include land, land improvements, buildings, fixtures and tenant improvements on an as-if vacant basis. The Company utilizes various estimates, processes and information to determine the as-if vacant property value. Estimates of value are made using customary methods, including data from appraisals, comparable sales, discounted cash flow analysis and other methods. Amounts allocated to land, land improvements, buildings and fixtures are based on cost segregation studies performed by independent third parties or on the Company's analysis of comparable properties in the Company's portfolio. Identifiable intangible assets include amounts allocated to acquire leases for above- and below-market lease rates, the value of in-place leases, and the value of customer relationships, as applicable.

Factors considered in the analysis of the in-place lease intangibles include an estimate of carrying costs during the expected lease-up period for each property, taking into account current market conditions and costs to execute similar leases. In estimating carrying costs, the Company includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at contract rates during the expected lease-up period, which typically ranges from 12 to 18 months . The Company also estimates costs to execute similar leases including leasing commissions, legal and other related expenses.

Above-market and below-market lease values for acquired properties are initially recorded based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to each in-place lease and (ii) management's estimate of fair market lease rates for each corresponding in-place lease, measured over a period equal to the remaining term of the lease for above-market leases and the remaining initial term plus the term of any below-market fixed rate renewal options for below-market leases. The capitalized above-market lease values are amortized as a reduction of base rental revenue over the remaining terms of the respective leases, and the capitalized below-market lease values are amortized as an increase to base rental revenue over the remaining initial terms plus the terms of any below-market fixed rate renewal options of the respective leases. If a tenant with a below market rent renewal does not renew, any remaining unamortized amount will be taken into income at that time.

The aggregate value of intangible assets related to customer relationship, as applicable, is measured based on the Company's evaluation of the specific characteristics of each tenant's lease and the Company's overall relationship with the tenant. Characteristics considered by the Company in determining these values include the nature and extent of its existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality and expectations of lease renewals, among other factors.

The value of customer relationship intangibles is amortized to expense over the initial term and any renewal periods in the respective leases, but in no event does the amortization period for intangible assets exceed the remaining depreciable life of the building. If a tenant terminates its lease, the unamortized portion of the in-place lease value and customer relationship intangibles is charged to expense.

In making estimates of fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property and other market data. The Company also considers information obtained about each property as a result of the Company's pre-acquisition due diligence in estimating the fair value of the tangible and intangible assets acquired and intangible liabilities assumed.

Intangible assets and acquired lease liabilities consist of following:

	December 31,	
(In thousands)	2015	2014
Intangible assets:		
In-place leases, net of accumulated amortization of $61,857 and $20,131 at December 31, 2015 and 2014, respectively	$ 426,434	$ 435,684
Above-market leases, net of accumulated amortization of $3,279 and $1,086 at December 31, 2015 and 2014, respectively	22,322	26,329
Below-market ground leases, net of accumulated amortization of $115 and $32 at December 31, 2015, and 2014, respectively	4,287	817
Total intangible lease assets, net	$ 453,043	$ 462,830
Intangible liabilities:		
Below-market leases, net of accumulated amortization of $3,296 and $1,211 at December 31, 2015 and 2014, respectively	$ 25,984	$ 21,676
Above-market ground leases, net of accumulated amortization of $15 and $0 at December 31, 2015 and 2014, respectively	1,994	$ —
Total intangible lease liabilities, net	$ 27,978	$ 21,676

The following table provides the weighted-average amortization periods as of December 31, 2015 for intangible assets and liabilities and the projected amortization expense and adjustments to revenues and property operating expense for the next five calendar years:

(In thousands)	Weighted-Average Amortization Years	2016	2017	2018	2019	2020
In-place leases	10.4	$ 44,665	$ 44,665	$ 44,665	$ 44,665	$ 44,505
Total to be included in depreciation and amortization		$ 44,665	$ 44,665	$ 44,665	$ 44,665	$ 44,505
Above-market lease assets	10.5	$ 2,271	$ 2,271	$ 2,271	$ 2,271	$ 2,271
Below-market lease liabilities	11.5	(2,527)	(2,527)	(2,527)	(2,527)	(2,502)
Total to be included in rental income		$ (256)	$ (256)	$ (256)	$ (256)	$ (231)
Below-market ground lease assets	29.2	$ 195	$ 195	$ 195	$ 195	$ 195
Above-market ground lease liabilities	33.7	(59)	(59)	(59)	(59)	(59)
Total to be included in property operating expense		$ 136	$ 136	$ 136	$ 136	$ 136

Goodwill

We evaluate goodwill for possible impairment at least annually or upon the occurrence of a triggering event. A triggering event is an event or circumstance that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We performed a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. Based on our assessment we determined that the goodwill is not impaired as of December 31, 2015 and no further analysis is required.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in bank accounts as well as investments in highly-liquid money market funds with original maturities of three months or less. The Company deposits cash with high quality financial institutions. Deposits in the United States and other countries where we have deposits are guaranteed by the Federal Deposit Insurance Company ("FDIC") in the United States, Financial Services Compensation Scheme ("FSCS") in the United Kingdom, Duchy Deposit Guarantee Scheme ("DDGS") in Luxembourg and by similar agencies in the other countries, up to insurance limits. The Company had deposits in the United States, United Kingdom, Luxembourg, Germany, Finland and The Netherlands totaling $69.9 million at December 31, 2015 , of which $40.3 million , $11.4 million and $11.7 million are currently in excess of amounts insured by the FDIC, FSCS and European equivalent deposit insurance companies including DDGS, respectively. At December 31, 2014 , the Company had deposits in the United States, United Kingdom, Luxembourg, Germany, Finland and The Netherlands totaling $64.7 million , of which $37.8

million , $13.5 million and $7.1 million were in excess of the amount insured by the FDIC, FSCS and European equivalent deposit insurance companies including DDGS, respectively. Although the Company bears risk to amounts in excess of those insured, it does not anticipate any losses as a result.

Restricted Cash

Restricted cash primarily consists of debt service and real estate tax reserves. The Company had restricted cash of $3.3 million and $6.1 million as of December 31, 2015 and 2014 , respectively.

Deferred Costs, Net

Deferred costs, net consists of deferred financing costs. Deferred financing costs represent commitment fees, legal fees, and other costs associated with obtaining commitments for financing. These costs are amortized over the terms of the respective financing agreements using the effective interest method. Unamortized deferred financing costs are expensed when the associated debt is refinanced or repaid before maturity. Costs incurred in seeking financial transactions that do not close are expensed in the period in which it is determined that the financing will not close.

Share Repurchase Program

Prior to April 7, 2015 , the Company had in place a Share Repurchase Program ("SRP), providing for limited repurchases of the Company's Common Stock. On April 7, 2015 , the Company's board of directors approved the termination of the Company’s SRP.

The Company accounts for the purchase of capital stock under a method that is consistent with Maryland law (the state of Company's domicile), which does not contemplate treasury stock. Any capital stock reacquired for any purpose is recorded as a reduction of common stock (at $0.01 par value per share) and an increase in accumulated deficit.

Dividend Reinvestment Plan

Prior to April 7, 2015 , the Company had in place a DRIP, providing for reinvestment of dividends in the Company's Common Stock. On April 7, 2015 , the Company suspended the DRIP. The final issuance of shares of Common Stock pursuant to the DRIP was made in May 2015 in connection with the Company's April 2015 dividend. Shares issued under the DRIP were recorded to equity in the accompanying consolidated balance sheets in the period dividends were declared.

Derivative Instruments

The Company may use derivative financial instruments, including interest rate swaps, caps, options, floors and other interest rate derivative contracts, to hedge all or a portion of the interest rate risk associated with its borrowings. Certain of the Company's foreign operations expose the Company to fluctuations of foreign interest rates and exchange rates. These fluctuations may impact the value of the Company's cash receipts and payments in the Company's functional currency, the U.S. dollar. The Company enters into derivative financial instruments to protect the value or fix the amount of certain obligations in terms of its functional currency.

The Company records all derivatives on the consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

The accounting for subsequent changes in the fair value of these derivatives depends on whether each has been designed and qualifies for hedge accounting treatment. If the Company elects not to apply hedge accounting treatment, any changes in the fair value of these derivative instruments is recognized immediately in gains (losses) on derivative instruments in the consolidated statements of operations. If the derivative is designated and qualifies for hedge accounting treatment the change in the estimated fair value of the derivative is recorded in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss) to the extent that it is effective. Any ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

Share-Based Compensation

The Company has a stock-based incentive award plan for its directors, which is accounted for under the guidance for employee share based payments. The cost of services received in exchange for a stock award is measured at the grant date fair value of the award and the expense for such awards is included in equity based compensation on consolidated statements of operations and is recognized over the vesting period or when the requirements for exercise of the award have been met (see Note 13 — Share-Based Compensation).

Income Taxes

The Company qualified to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), beginning with the taxable year ended December 31, 2013. Commencing with such taxable year, the Company was organized to operate in such a manner as to qualify for taxation as a REIT under the Code. The Company intends to continue to operate in such a manner to continue to qualify for taxation as a REIT, but no assurance can be given that it will operate in a manner so as to remain qualified as a REIT. As a REIT, the Company generally will not be subject to federal corporate income tax to the extent it distributes at least 90% of its REIT taxable income to its stockholders. REIT's are subject to a number of other organizational and operational requirements. We conduct business in various states and municipalities within the United States (including Puerto Rico), United Kingdom and continental Europe and, as a result, the Company or one of its subsidiaries file income tax returns in the United States federal jurisdiction and various state and certain foreign jurisdictions. As a result, the Company may be subject to certain federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income and state, local or foreign income, franchise, property and transfer taxes. Any of these taxes decrease Company's earnings and available cash.

In addition, Company's international assets and operations, including those designated as direct or indirect qualified REIT subsidiaries or other disregarded entities of a REIT, continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted.During the period from July 13, 2011 (date of inception) to December 31, 2012, the Company elected to be taxed as a corporation, pursuant to which income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using expected tax rates in effect for each taxing jurisdiction in which the Company operates for the year in which those temporary differences are expected to be recovered or settled. The Company recognizes the financial statement effects of a tax position when it is more-likely-than-not, based on technical merits, that the position will be sustained upon examination. Because, the Company elected and qualified to be taxed as a REIT commencing with the taxable year ended December 31, 2013, it did not anticipate that any applicable deferred tax assets or liabilities will be realized.

Significant judgment is required in determining our tax provision and in evaluating our tax positions. The Company establishes tax reserves based on a benefit recognition model, which the Company believes could result in a greater amount of benefit (and a lower amount of reserve) being initially recognized in certain circumstances. Provided that the tax position is deemed more likely than not of being sustained, the Company recognizes the largest amount of tax benefit that is greater than 50 percent likely of being ultimately realized upon settlement. The Company derecognizes the tax position when it is no longer more likely than not of being sustained.

The Company recognizes deferred income taxes in certain of its subsidiaries taxable in the United States or in foreign jurisdictions. Deferred income taxes are generally the result of temporary differences (items that are treated differently for tax purposes than for U.S. GAAP purposes). In addition, deferred tax assets arise from unutilized tax net operating losses, generated in prior years. The Company provides a valuation allowance against its deferred income tax assets when it believes that it is more likely than not that all or some portion of the deferred income tax asset may not be realized. Whenever a change in circumstances causes a change in the estimated realizability of the related deferred income tax asset, the resulting increase or decrease in the valuation allowance is included in deferred income tax expense (benefit).

The Company derives most of its REIT income from its real estate operations in the United States. As such, the Company's real estate operations are generally not subject to federal tax, and accordingly, no provision has been made for U.S. federal income taxes in the consolidated financial statements for these operations. These operations may be subject to certain state, local, and foreign taxes, as applicable.

- Basis differences between tax and U.S. GAAP for certain international real estate investments. For income tax purposes, in certain acquisitions, the Company assumes the seller’s basis, or the carry-over basis, in the acquired assets. The carry-over basis is typically lower than the purchase price, or the U.S. GAAP basis, resulting in a deferred tax liability with an offsetting increase to goodwill or the acquired tangible or intangible assets;

- Timing differences generated by differences in the U.S. GAAP basis and the tax basis of assets such as those related to capitalized acquisition costs and depreciation expense; and
- Tax net operating losses in certain subsidiaries, including those domiciled in foreign jurisdictions, that may be realized in future periods if the respective subsidiary generates sufficient taxable income.

The Company’s current income tax provision for the years ended December 31, 2015 and 2014 was $5.1 million and $0.7 million , respectively. The Company’s deferred income tax provision (benefit) for the years ended December 31, 2015 and 2014 was $0.8 million and $(2.1) million , respectively. The deferred tax assets included in the consolidated balance sheets is net of a valuation allowance in the amounts of $4.3 million and $3.9 million as of December 31, 2015 and 2014 , respectively.

The Company recognizes current income tax expense for state and local income taxes and taxes incurred in its foreign jurisdictions. The Company's current income tax expense fluctuates from period to period based primarily on the timing of our taxable income. For the years ended December 31, 2015 and 2014 , the Company recognized an income tax (expense) benefit of $(5.9) million and $1.4 million , respectively. Deferred income tax (expense) benefit is generally a function of the period’s temporary differences and the utilization of net operating losses generated in prior years that had been previously recognized as deferred income tax assets from state and local taxes in the United States or in foreign jurisdictions.

The amount of dividends payable to the Company's stockholders is determined by the board of directors and is dependent on a number of factors, including funds available for distributions, financial condition, capital expenditure requirements, as applicable, and annual dividend requirements needed to qualify and maintain the Company's status as a REIT under the Code.

The following table details from a tax perspective, the portion of a distribution classified as return of capital and ordinary dividend income, per share per annum, for the years ended December 31, 2015 , 2014 and 2013 :

	Year Ended December 31,					
(In thousands)	December 31, 2015		December 31, 2014		December 31, 2013	
Return of capital	63.1%	$ 0.45	70.4%	$ 0.50	51.7%	$ 0.37
Ordinary dividend income	36.9%	0.26	29.6%	$ 0.21	48.3%	0.34
Total	100.0%	$ 0.71	100.0%	$ 0.71	100.0%	$ 0.71

Foreign Currency Translation

The Company's reporting currency is the U.S. dollar. The functional currency of the Company's foreign operations is the applicable local currency for each foreign subsidiary. Assets and liabilities of foreign subsidiaries (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. The amounts reported in the consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment is recorded as a component of accumulated other comprehensive income (loss) in the consolidated statements of changes in equity.

Per Share Data

The Company calculates basic earnings per share of Common Stock by dividing net income (loss) for the period by weighted-average shares of its Common Stock outstanding for a respective period. Diluted income per share takes into account the effect of dilutive instruments such as unvested restricted stock, long term incentive plan ("LTIP") units and OP units, based on the average share price for the period in determining the number of incremental shares that are to be added to the weighted-average number of shares outstanding (see Note 13 — Share-Based Compensation).

Reportable Segments

The Company has determined that it has one reportable segment, with activities related to investing in real estate. The Company’s investments in real estate generate rental revenue and other income through the leasing of properties, which comprise 100% of total consolidated revenues. Management evaluates the operating performance of the Company’s investments in real estate on an individual property level.

The Company owns and invests in commercial properties principally in the United States, continental Europe, and the United Kingdom, that are then leased to companies, primarily on a triple-net lease basis. The Company earns lease revenues from its wholly-owned real estate investments. The Company’s portfolio was comprised of full ownership interests in 329 properties, substantially all of which were net leased to 86 tenants, with an occupancy rate of 100% , and totaled approximately 18.7 million square feet.

The Company evaluates its results from operations by its major business segments. Other than the U.K., no country or tenant individually comprised more than 10% of the Company's total lease revenues, or total long lived-assets at December 31, 2015 .

The following tables present the geographic information (in thousands):

	Year Ended December 31,		
(In thousands)	**2015**	**2014**	**2013** [(1)]
Revenues			
United States	$ 130,598	$ 65,651	$ 1,132
United Kingdom	40,830	18,199	2,819
Europe	33,904	9,533	—
Total	$ 205,332	$ 93,383	$ 3,951

(1) The Company did not own any properties denominated in Euro as of December 31, 2013 , and as such there were no revenues or Net Investments in Real Estate in this denomination for that period.

	As of December 31,	
(In thousands)	**2015**	**2014**
Investments in Real Estate		
United States	$ 1,610,720	$ 1,446,604
United Kingdom	441,586	466,292
Europe	493,998	427,143
Total	$ 2,546,304	$ 2,340,039

Reclassifications

Certain reclassifications have been made to the 2014 consolidated financial statements to conform to the current period presentation.

Out-of-period adjustments

During the first and second quarter of 2015, the Company had recorded the following out-of-period adjustments to correct errors from prior periods: (i) additional rental income and accrued rent of $0.3 million related to the straight-line rent effect of correctly including termination payments required under leases with cancellation clauses that were considered probable when assessing the lease term and (ii) additional taxes of $0.9 million representing current foreign taxes payable of $1.2 million and a deferred tax asset of $0.3 million , both relating to 2014. The Company also recorded an out-of-period adjustment in the fourth quarter to correct an additional error in income taxes of $0.5 million relating to 2014 which resulted from errors in estimating our income tax expense. The Company concluded that these adjustments were not material to the financial position or results of operations for the current period or any of the prior periods, accordingly, the Company recorded the related adjustments in the periods they were identified during the year ended December 31, 2015 .

Listing Note

Concurrent with the Listing, the Company, as the general partner of the OP, caused the OP, subject to the terms of the Second Amended and Restated Agreement of Limited Partnership, to evidence the OP's obligation to distribute certain amounts to the Special Limited Partner ("the Listing Note"). The amount of the Listing Note is determined, in part, based on the average market value of the Company's outstanding shares of Common Stock for the period of 30 consecutive trading days, commencing on the 180th calendar day following the Listing. The principal amount of the Listing Note was determined to be zero at December 31, 2015 , and therefore no liability was recorded. The Company estimates the contingent consideration using a valuation model and records the fair value of the Listing Note on the consolidated balance sheets. Changes in the fair value of the Listing Note are recorded in the consolidated statements of operations. The final fair value of the Listing Note on maturity at January 23, 2016 was determined to be zero value.

Multi-Year Outperformance Agreement

Concurrent with the Listing and modifications to the Advisor agreement, the Company entered into OPP with the OP and the Advisor (see Note 13 — Share-Based Compensation). The Company records equity based compensation expense associated with the awards over the requisite service period of five years . The cumulative equity-based compensation expense is adjusted each reporting period for changes in the estimated market-related performance.

Recently Issued Accounting Pronouncements

Adopted:

In April 2014, FASB amended the requirements for reporting discontinued operations. Under the revised guidance, in addition to other disclosure requirements, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the component or group of components meets the criteria to be classified as held for sale, disposed of by sale or other than by sale. The Company has adopted the provisions of this guidance effective January 1, 2015, and has applied the provisions prospectively. The adoption of this guidance has not had a material impact on the Company's consolidated financial position, results of operations or cash flows.

In August 2014, the FASB issued ASU 2014-15, *Disclosures of Uncertainties about an Entities Ability to Continue as a Going Concern,* which requires management to assess a company's ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. The assessment is required for each annual and interim reporting period. Management's assessment should evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern. Substantial doubt is deemed to exist when it is probable that the company will be unable to meet its obligations within one year from the financial statement issuance date. If conditions or events give rise to substantial doubt about the entity's ability to continue as a going concern, the guidance requires management to disclose information that enables users of the financial statements to understand the conditions or events that raised the substantial doubt, management's evaluation of the significance of the conditions or events that led to the doubt, the entity's ability to continue as a going concern and management's plans that are intended to mitigate or that have mitigated the conditions or events that raised substantial doubt about the entity's ability to continue as a going concern. The guidance is effective for the annual period ending after December 15, 2016 and for annual and interim periods thereafter. The Company has elected to adopt the provisions of this guidance effective December 31, 2014, as early application is permitted. The adoption of this guidance did not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Pending Adoption:

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* . Under the revised guidance, an entity is required to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The revised guidance allows entities to apply either a full retrospective or modified retrospective transition method upon adoption. In July 2015, the FASB finalized a one-year delay of the revised guidance, although entities will be allowed to early adopt the guidance as of the original effective date. The new guidance will be effective in the Company's 2018 fiscal year. The Company is currently evaluating the impact of the revised guidance on the consolidated financial statements and has not yet determined the method by which the Company will adopt the standard.

In February 2015, the FASB issued ASU 2015-02 *Consolidation (Topic 810) - Amendments to the Consolidation Analysis* . The new guidance applies to entities in all industries and provides a new scope exception to registered money market funds and similar unregistered money market funds. It makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the VIE guidance. The standard does not add or remove any of the characteristics that determine if an entity is a VIE. However, when decision-making over the entity's most significant activities has been outsourced,

the standard changes how a reporting entity assesses if the equity holders at risk lack decision making rights. Previously, the reporting entity would be required to determine if there is a single equity holder that is able to remove the outsourced decision maker that has a variable interest. The new standard requires that the reporting entity first consider the rights of all of the equity holders at risk. If the equity holders have certain rights that are deemed to give them the power to direct the entity's most significant activities, then the entity does not have this VIE characteristic. The new standard also introduces a separate analysis specific to limited partnerships and similar entities for assessing if the equity holders at risk lack decision making rights. Limited partnerships and similar entities will be VIEs unless the limited partners hold substantive kick-out rights or participating rights. In order for such rights to be substantive, they must be exercisable by a simple majority vote (or less) of all of the partners (exclusive of the general partner and its related parties). A right to liquidate an entity is viewed as akin to a kick-out right. The guidance for limited partnerships under the voting model has been eliminated in conjunction with the introduction of this separate analysis, including the rebuttable presumption that a general partner unilaterally controls a limited partnership and should therefore consolidate it. A limited partner with a controlling financial interest obtained through substantive kick out rights would consolidate a limited partnership. The standard eliminates certain of the criteria that must be met for an outsourced decision maker or service provider's fee arrangement to not be a variable interest. Under current guidance, a reporting entity first assesses whether it meets power and economics tests based solely on its own variable interests in the entity to determine if it is the primary beneficiary required to consolidate the VIE. Under the new standard, a reporting entity that meets the power test will also include indirect interests held through related parties on a proportionate basis to determine whether it meets the economics test and is the primary beneficiary on a standalone basis. The standard is effective for annual periods beginning after December 15, 2015. Early adoption is allowed, including in any interim period. The Company will adopt the new guidance in fiscal 2016 and believes the guidance will not have a material impact on its consolidated financial position, results of operations or cash flows.

In April 2015, the FASB issued ASU 2015-03 *Interest-Imputation of Interest (Subtopic 835-30)*. The guidance changes the presentation of debt issuance costs on the balance sheet. The amendments require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The revised guidance is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted for financial statements that have not previously been issued. If the Company decides to early adopt the revised guidance in an interim period, any adjustments will be reflected as of the beginning of the fiscal year that includes the interim period. The Company will adopt the new guidance in fiscal 2016 and believes the guidance will not have a material impact on its consolidated financial position, results of operations or cash flows.

In August 2015, FASB issued ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements, which amends ASC 835-30, Interest - Imputation of Interest* . This update clarifies the presentation and subsequent measurement of debt issuance costs associated with lines of credit. These costs may be deferred and presented as an asset and subsequently amortized ratably over the term of the revolving debt arrangement.

In September 2015, the FASB issued ASU 2015-16 *Business Combination (Topic 805)* . The guidance eliminates the requirement to adjust provisional amounts from a business combination and the related impact on earnings by restating prior period financial statements for measurement period adjustments. The new guidance requires that the cumulative impact of measurement period adjustments on current and prior periods, including the prior period impact on depreciation, amortization and other income statement items and their related tax effects, shall be recognized in the period the adjustment amount is determined. The cumulative adjustment would be reflected within the respective financial statement line items affected. The revised guidance is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. The Company will adopt the new guidance in fiscal 2016 and believes the guidance will not have a material impact on its consolidated financial position, results of operations or cash flows.

In January 2016, the FASB issued ASU 2016-01 *Financial Instruments-Overall:Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10)*. The revised guidance amends the recognition and measurement of financial instruments. The new guidance significantly revises an entity's accounting related to equity investments and the presentation of certain fair value changes for financial liabilities measured at fair value. Among other things, it also amends the presentation and disclosure requirements associated with the fair value of financial instruments. The revised guidance is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is not permitted for most of the amendments in the update. The Company is currently evaluating the impact of the new guidance.

In February 2016, the FASB issued ASU 2016-02 *Leases* (ASC 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU is expected to impact the Company's consolidated financial statements as the Company has certain operating and land lease arrangements for which it is the lessee. ASC 842 supersedes the previous leases standard, ASC 840 *Leases*. The standard is effective on January 1, 2019, with early adoption permitted. The Company is in the process of evaluating the impact of this new guidance.

Note 3 — Real Estate Investments

The following table reflects the number and related base purchase prices of properties acquired as of December 31, 2014 and during the year ended December 31, 2015 :

	Number of Properties	Base Purchase Price [1]
		(In thousands)
As of December 31, 2014	307	$ 2,378,554
Twelve months ended December 31, 2015	22	255,008
Portfolio as of December 31, 2015	**329**	**$ 2,633,562**

[1] Contract purchase price, excluding acquisition related costs, based on the exchange rate at the time of purchase, where applicable.

The following table presents the allocation of the assets acquired and liabilities assumed during the years ended December 31, 2015 , 2014 and 2013 based on contract purchase price, excluding acquisition related costs, based on the exchange rate at the time of purchase.

	Year Ended December 31, [1]		
(Dollar amounts in thousands)	**2015**	**2014**	**2013**
Real estate investments, at cost:			
Land	$ 23,865	$ 288,376	$ 44,118
Buildings, fixtures and improvements	192,052	1,450,862	103,127
Total tangible assets	215,917	1,739,238	147,245
Intangibles acquired:			
In-place leases	44,241	418,419	44,865
Above market lease assets	1,007	26,711	2,159
Below market lease liabilities	(7,449)	(17,513)	(5,983)
Below market ground lease assets	3,363	901	—
Above market ground lease liabilities	(2,071)	—	—
Goodwill	—	3,665	—
Total assets acquired, net	255,008	2,171,421	188,286
Mortgage notes payable used to acquire real estate investments	(31,933)	(217,791)	(75,651)
Credit facility borrowings used to acquire real estate investments	—	(446,558)	—
Other liabilities assumed	—	—	(1,664)
Cash paid for acquired real estate investments	$ 223,075	$ 1,507,072	$ 110,971
Number of properties purchased	22	270	36

The following table presents unaudited pro forma information as if the acquisitions during the year ended December 31, 2015 , had been consummated on January 1, 2014. Additionally, the unaudited pro forma net income (loss) attributable to stockholders was adjusted to exclude acquisition and transaction related expense of $6.1 million for the year ended December 31, 2015 to the year ended December 31, 2014 . Such acquisition and transaction related expenses have been reflected in the year ended December 31, 2014 as if such acquisitions costs had been consummated on January 1, 2014 .

	Year Ended December 31,	
(In thousands)	**2015**	**2014**
Pro forma revenues	$ 219,932	$ 227,134
Pro forma net income (loss)	$ 9,716	$ 58,456
Pro forma basic and diluted net income (loss) per share	$ 0.06	$ 0.46

The following presents future minimum base rental cash payments due to the Company during the next five calendar years and thereafter as of December 31, 2015 . These amounts exclude contingent rent payments, as applicable, that may be collected from certain tenants based on provisions related to sales thresholds and increases in annual rent based on exceeding certain economic indices among other items.

(In thousands)	**Future Minimum Base Rent Payments [(1)]**
2016	$ 195,718
2017	199,195
2018	201,720
2019	204,203
2020	206,384
Thereafter	1,151,118
Total	$ 2,158,338

(1) Based on the exchange rate as of December 31, 2015 .

The following table lists the tenants whose annualized rental income on a straight-line basis represented 10% or greater of consolidated annualized rental income on a straight-line basis for all properties as of December 31, 2015 , 2014 and 2013 .

	December 31,		
Tenant	**2015**	**2014**	**2013**
Encanto Restaurants, Inc.	*	*	19.4%
Western Digital Corporation	*	*	14.6%
Thames Water Utilities Limited	*	*	11.7%

* Tenant's annualized rental income on a straight-line basis was not greater than 10% of total annualized rental income for all portfolio properties as of the period specified.

The termination, delinquency or non-renewal of leases by any major tenant may have a material adverse effect on revenues.

The following table lists the countries and states where the Company has concentrations of properties where annualized rental income on a straight-line basis represented greater than 10% of consolidated annualized rental income on a straight-line basis as of December 31, 2015 , 2014 and 2013 .

	December 31,		
Country	**2015**	**2014**	**2013**
Germany	*	10.9%	*
Puerto Rico	*	*	19.4%
United Kingdom	19.2%	22.0%	38.4%
United States:			
California	*	*	14.6%
Texas	11.5%	10.4%	*

* Geography's annualized rental income on a straight-line basis was not greater than 10% of total annualized rental income for all portfolio properties as of the period specified.

Note 4 — Revolving Credit Facility

On July 25, 2013 , the Company, through the OP, entered into a credit facility (the "Credit Facility") that provided for aggregate revolving loan borrowings of up to $50.0 million (subject to borrowing base availability). The Credit Facility has been amended at various times, and maximum borrowings have increased to $740.0 million , with the most recent increase being on August 24, 2015. The Company had $717.3 million (including £160.2 million and €288.4 million) and $659.3 million (including £169.8 million and €128.0 million) outstanding under the Credit Facility as of December 31, 2015 and 2014 , respectively.

Availability of borrowings is based on a pool of eligible unencumbered real estate assets. The initial maturity date of the facility is July 25, 2016 with two one-year extension options, subject to certain conditions.

The Company has the option, based upon its consolidated leverage ratio, to have draws under the facility priced at either the Alternate Base Rate (as described below) plus 0.60% to 1.20% or at adjusted LIBOR plus 1.60% to 2.20% . The Alternate Base Rate is defined in the Credit Facility as a rate per annum equal to the greatest of (a) the fluctuating annual rate of interest announced from time to time by the lender as its “prime rate” in effect on such day, (b) the federal funds effective rate in effect on such day plus 0.5% of 1% and (c) the Adjusted LIBOR for a one-month interest period on such day plus 1% . Adjusted LIBOR refers to LIBOR multiplied by the statutory reserve rate, as determined by the Federal Reserve System of the United States. The Credit Facility agreement requires the Company to pay an unused fee per annum of 0.25% if the unused balance of the Credit Facility exceeds or is equal to 50% of the available facility or a fee per annum of 0.15% if the unused balance of the Credit Facility is less than 50% of the available facility. As of December 31, 2015 , the Credit Facility reflected variable and fixed rate borrowings with a carrying value and fair value of $717.3 million , and a weighted average effective interest rate of 2.2% after considering interest rate swaps in place. The unused borrowing capacity under the Credit Facility as of December 31, 2015 and 2014 was $22.7 million and $20.7 million , respectively.

The Credit Facility agreement provides for quarterly interest payments for each Alternate Base Rate loan and periodic payments for each Adjusted LIBOR Rate loan, based upon the applicable LIBOR loan period, with all principal outstanding being due on the maturity date in July 2016. The Credit Facility agreement also contains two one-year extension options, subject to certain conditions. The Credit Facility may be prepaid at any time, in whole or in part, without premium or penalty, subject to prior notice to the lender. In the event of a default, the lender has the right to terminate their obligations under the Credit Facility agreement and to accelerate the payment on any unpaid principal amount of all outstanding loans.

The Credit Facility requires the Company to meet certain financial covenants, including the maintenance of certain financial ratios (such as specified debt to equity and debt service coverage ratios) as well as the maintenance of a minimum net worth. As of December 31, 2015 , the Company was in compliance with the financial covenants under the Credit Facility.

The total gross carrying value of unencumbered assets as of December 31, 2015 is $1.3 billion .

On January 20, 2016, the Company paid down $20.0 million of its US dollar advances. Foreign currency draws under the Credit Facility are designated as net investment hedges of the Company's investments during the periods reflected in the consolidated statements of operations (see Note 8 — Derivatives and Hedging Activities for further discussion).

Note 5 — Mortgage Note Payable

Mortgage notes payable as of December 31, 2015 and 2014 consisted of the following:

Country	Portfolio	Encumbered Properties	Outstanding Loan Amount [1] December 31, 2015	Outstanding Loan Amount [1] December 31, 2014	Effective Interest Rate		Interest Rate	Maturity
			(In thousands)	(In thousands)				
Finland:	Finnair	4	$ 30,976	$ —	2.2%	[2]	Fixed	Sep. 2020
	Tokmanni	1	31,603	—	2.4%	[2]	Fixed	Oct. 2020
Germany:	Rheinmetall	1	11,561	12,884	2.6%	[2]	Fixed	Jan. 2019
	OBI DIY	1	4,908	5,470	2.4%		Fixed	Jan. 2019
	RWE AG	3	68,169	75,969	1.6%	[2]	Fixed	Oct. 2019
	Rexam	1	5,737	6,394	1.8%	[2]	Fixed	Oct. 2019
	Metro Tonic	1	28,904	32,211	1.7%	[2]	Fixed	Dec. 2019
	Total EUR denominated	12	181,858	132,928				
United Kingdom:	McDonald's	1	1,125	1,180	4.1%	[2]	Fixed	Oct. 2017
	Wickes Building Supplies I	1	2,882	3,024	3.7%	[2]	Fixed	May 2018
	Everything Everywhere	1	5,922	6,213	4.0%	[2]	Fixed	Jun. 2018
	Thames Water	1	8,882	9,319	4.1%	[2]	Fixed	Jul. 2018
	Wickes Building Supplies II	1	2,443	2,563	4.2%	[2]	Fixed	Jul. 2018
	Northern Rock	2	7,772	8,155	4.5%	[2]	Fixed	Sep. 2018
	Wickes Building Supplies III	1	2,813	2,951	4.4%	[2]	Fixed	Nov. 2018
	Provident Financial	1	18,875	19,804	4.1%	[2]	Fixed	Feb. 2019
	Crown Crest	1	28,498	29,901	4.3%	[2]	Fixed	Feb. 2019
	Aviva	1	23,242	24,387	3.8%	[2]	Fixed	Mar. 2019
	Bradford & Bingley	1	11,192	—	3.5%	[2]	Fixed	May 2020
	Intier Automotive Interiors	1	6,995	—	3.5%	[2]	Fixed	May 2020
	Capgemini	1	8,142	—	3.2%	[2]	Fixed	Jun. 2020
	Fujitisu	3	36,684	—	3.2%	[2]	Fixed	Jun. 2020
	Amcor Packaging	7	4,628	—	3.6%	[2]	Fixed	Jul. 2020
	Fife Council	1	2,715	—	3.6%	[2]	Fixed	Jul. 2020
	Malthrust	3	4,737	—	3.6%	[2]	Fixed	Jul. 2020
	Talk Talk	1	5,663	—	3.6%	[2]	Fixed	Jul. 2020
	HBOS	3	7,979	—	3.6%	[2]	Fixed	Jul. 2020
	DFS Trading	5	15,010	—	3.4%	[2]	Fixed	Aug. 2020
	DFS Trading	2	3,514	—	3.4%	[2]	Fixed	Aug. 2020
	HP Enterprise Services	1	13,748	—	3.4%	[2]	Fixed	Aug. 2020
	Total GBP denominated	40	223,461	107,497				
United States:	Quest Diagnostics	1	52,800	—	2.0%	[3]	Variable	Sep. 2018
	Western Digital	1	17,982	18,269	5.3%		Fixed	Jul. 2021
	AT&T Services	1	33,550	—	2.5%	[4]	Variable	Dec. 2020
Puerto Rico:	Encanto Restaurants	18	22,057	22,492	6.3%		Fixed	Jun. 2017
	Total USD denominated	21	126,389	40,761				
	Total	73	$ 531,708	$ 281,186	3.0%			

(1) Amounts borrowed in local currency and translated at the spot rate as of respective date.

(2) Fixed as a result of an interest rate swap agreement.

(3) The interest rate is 2.0% plus 1-month LIBOR.

(4) The interest rate is 2.0% plus 1- month Adjusted LIBOR as defined in the mortgage agreement.

During the year ended December 31, 2015 , the Company encumbered 29 U.K. properties for which the Company received proceeds of £81.7 million ($121.0 million based upon an exchange rate of £1.00 to $1.48 as of December 31, 2015), one Finnish property for which the Company received proceeds of €29.0 million ($31.6 million based upon an exchange rate of €1.00 to $1.09 as of December 31, 2015) and two U.S. properties for which the Company received proceeds of $86.4 million .

The following table presents future scheduled aggregate principal payments on the mortgage notes payable over the next five calendar years and thereafter as of December 31, 2015 :

(In thousands)		Future Principal Payments [1]
2016	$	758
2017		23,043
2018		83,850
2019		190,249
2020		217,508
Thereafter		16,300
Total	$	531,708

[1] Based on the exchange rate as of December 31, 2015 .

The Company's mortgage notes payable agreements require compliance with certain property-level financial covenants including debt service coverage ratios. As of December 31, 2015 and 2014 , the Company was in compliance with financial covenants under its mortgage notes payable agreements.

Note 6 — Fair Value of Financial Instruments

The Company determines fair value based on quoted prices when available or through the use of alternative approaches, such as discounting the expected cash flows using market interest rates commensurate with the credit quality and duration of the investment. This alternative approach also reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The guidance defines three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset and liability or can be corroborated with observable market data for substantially the entire contractual term of the asset or liability.

Level 3 — Unobservable inputs that reflect the entity's own assumptions about the assumptions that market participants would use in the pricing of the asset or liability and are consequently not based on market activity, but rather through particular valuation techniques.

The determination of where an asset or liability falls in the hierarchy requires significant judgment and considers factors specific to the asset or liability. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company evaluates its hierarchy disclosures each quarter and depending on various factors, it is possible that an asset or liability may be classified differently from quarter to quarter, however, the Company expects that changes in classifications between levels will be rare.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with those derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. As of December 31, 2015 and 2014 , the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of the Company's derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The valuation of derivative instruments is determined using a discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, as well as observable market-based inputs, including interest rate curves and implied volatilities. In addition, credit valuation adjustments are incorporated into the fair values to account for the Company's potential nonperformance risk and the performance risk of the counterparties.

Investment Securities

On September 3, 2015, the Company redeemed its investment in the AR Capital Global Real Estate Income Fund, a real estate income fund traded in an active market with an aggregate fair value of $0.5 million as of the redemption date. The real estate income fund is managed by an affiliate of the Sponsor (see Note 11 — Related Party Transactions). The redemption resulted in a recognized loss of approximately $0.1 million for the year ended December 31, 2015 .

As of December 31, 2014 , the investment had an aggregate fair value of $0.5 million and an unrealized loss of $24,000 . Unrealized losses were considered temporary and therefore no impairment was recorded for the year ended December 31, 2014 .

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents information about the Company's assets and liabilities (including derivatives that are presented net) measured at fair value on a recurring basis as of December 31, 2015 and 2014 , aggregated by the level in the fair value hierarchy level within which those instruments fall.

(In thousands)	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
December 31, 2015				
Cross currency swaps, net (GBP & EUR)	$ —	$ 3,042	$ —	$ 3,042
Foreign currency forwards, net (GBP & EUR)	$ —	$ 2,203	$ —	$ 2,203
Interest rate swaps, net (GBP & EUR)	$ —	$ (5,461)	$ —	$ (5,461)
Listing Note (see Note 7)	$ —	$ —	$ —	$ —
OPP (see Note 13)	$ —	$ —	$ (14,300)	$ (14,300)
December 31, 2014				
Cross currency swaps, net (GBP & EUR)	$ —	$ 11,289	$ —	$ 11,289
Foreign currency forwards, net (GBP & EUR)	$ —	$ 1,884	$ —	$ 1,884
Interest rate swaps, net (GBP & EUR)	$ —	$ (5,650)	$ —	$ (5,650)
Investment securities	$ 490	$ —	$ —	$ 490

The valuations of the Listing Note and OPP are determined using a Monte Carlo simulation. This analysis reflects the contractual terms of the Listing Note and OPP, including the performance periods and total return hurdles, as well as observable market-based inputs, including interest rate curves, and unobservable inputs, such as expected volatility. As a result, the Company has determined that its Listing Note and OPP valuations in their entirety are classified in Level 3 of the fair value hierarchy.

A review of the fair value hierarchy classification is conducted on a quarterly basis. Changes in the type of inputs may result in a reclassification for certain assets. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the years ended December 31, 2015 or 2014 .

Level 3 Valuations

The following is a reconciliation of the beginning and ending balance for the changes in instruments with Level 3 inputs in the fair value hierarchy for the year ended December 31, 2015 :

(In thousands)	Listing Note	OPP
Beginning balance as of December 31, 2014	$ —	$ —
Fair value at issuance	8,670	27,500
Fair value adjustment	(8,670)	(13,200)
Ending balance as of December 31, 2015	$ —	$ 14,300

The following table provides quantitative information about the significant Level 3 inputs used (in thousands):

Financial Instrument	Fair Value at December 31, 2015		Principal Valuation Technique	Unobservable Inputs	Input Value
	(In thousands)				
Listing Note	$	—	Monte Carlo Simulation	Expected volatility	20.0%
OPP	$	14,300	Monte Carlo Simulation	Expected volatility	21.0%

The following discussion provides a description of the impact on a fair value measurement of a change in each unobservable input in isolation. For the relationship described below, the inverse relationship would also generally apply.

Expected volatility is a measure of the variability in possible returns for an instrument, parameter or market index given how much the particular instrument, parameter or index changes in value over time. Generally, the higher the expected volatility of the underlying, the wider the range of potential future returns. An increase in expected volatility, in isolation, would generally result in an increase in the fair value measurement of an instrument.

On August 7, 2015 , the Company amended and restated the OPP (the “Amended OPP”) with the OP and the Advisor to amend certain definitions related to performance measurement to equitably adjust for share issuances and share repurchases on a go-forward basis. The amendment resulted in an immaterial adjustment to compensation cost as of the modification date.

Financial Instruments not Measured at Fair Value on a Recurring Basis

The Company is required to disclose the fair value of financial instruments for which it is practicable to estimate value. The fair value of short-term financial instruments such as cash and cash equivalents, due to/from affiliates, accounts payable and dividends payable approximates their carrying value on the consolidated balance sheets due to their short-term nature. The fair values of the Company's remaining financial instruments that are not reported at fair value on the consolidated balance sheets are reported below.

(In thousands)	Level	Carrying Amount December 31, 2015		Fair Value December 31, 2015		Carrying Amount December 31, 2014		Fair Value December 31, 2014	
Mortgage notes payable [(1)] [(2)]	3	$	532,384	$	534,041	$	282,351	$	280,967
Credit facility	3	$	717,286	$	717,286	$	659,268	$	669,824

---

(1) Carrying value includes $531.7 million mortgage notes payable and $0.7 million mortgage premiums, net as of December 31, 2015 .

(2) Carrying value includes $281.2 million mortgage notes payable and $1.2 million mortgage premiums, net as of December 31, 2014 .

The fair value of the mortgage notes payable is estimated using a discounted cash flow analysis, based on the Advisor's experience with similar types of borrowing arrangements. Advances under the Credit Facility are considered to be reported at fair value.

Note 7 — Listing Note

In connection with the Listing, the Company, as the general partner of the OP, caused the OP, subject to the terms of the Second Amended and Restated Limited Partnership Agreement, to issue a note (the "Listing Note") to the Special Limited Partner, to evidence the OP’s obligation to distribute to the Special Limited Partner an aggregate amount (the "Listing Amount") equal to 15.0% of the difference (to the extent the result is a positive number) between:

- the sum of (i) the "market value" (as defined in the Listing Note) of all of the Company’s outstanding shares of Common Stock plus (ii) the sum of all distributions or dividends (from any source) paid by the Company to its stockholders prior to the Listing; and
- the sum of (i) the total amount raised in the Company’s IPO and its DRIP prior to the Listing ("Gross Proceeds") plus (ii) the total amount of cash that, if distributed to those stockholders who purchased shares in the IPO and under the DRIP, would have provided those stockholders a 6.0% cumulative, non-compounded, pre-tax annual return (based on a 365 -day year) on the Gross Proceeds.

The market value used to calculate the Listing Amount will not be determinable until the end of a measurement period of 30 consecutive trading days, commencing on the 180th calendar day following the Listing, unless another liquidity event, such as a merger, occurs prior to the end of the measurement period. If another liquidity event occurs prior to the end of the measurement

period, the Listing Note provides for appropriate adjustment to the calculation of the Listing Amount. The Special Limited Partner will have the right to receive distributions of Net Sales Proceeds, as defined in the Listing Note, until the Listing Note is paid in full; provided that, the Special Limited Partner has the right, but not the obligation, to convert the entire special limited partner interest into OP Units. Those OP Units would be convertible for the cash value of a corresponding number of shares of Common Stock or a corresponding number of shares of Common Stock, at the Company's option, in accordance with the terms contained in the Second Amended and Restated Limited Partnership Agreement.

Until the amount of the Listing Note can be determined, the Listing Note is considered a liability which is marked to fair value at each reporting date, with changes in the fair value recorded in the consolidated statements of operations. The Listing Note fair value at issuance and as of December 31, 2015 was determined using a Monte Carlo simulation, which uses a combination of observable and unobservable inputs. As of December 31, 2015 , the Listing Note had a fair value of zero (see Note 6 — Fair Value of Financial Instruments). The final fair value of the Listing Note on maturity at January 23, 2016 was determined to be zero as well.

Note 8 — Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives

The Company uses derivative financial instruments, including interest rate swaps, caps, options, floors and other interest rate derivative contracts, to hedge all or a portion of the interest rate risk associated with its borrowings. Certain foreign investments expose the Company to fluctuations of foreign interest rates and exchange rates. These fluctuations may impact the value of the Company’s cash receipts and payments in terms of the Company’s functional currency. The Company enters into derivative financial instruments to protect the value or fix the amount of certain obligations in terms of its functional currency, the U.S. dollar ("USD").

The principal objective of such arrangements is to minimize the risks and/or costs associated with the Company's operating and financial structure as well as to hedge specific anticipated transactions. The Company does not intend to utilize derivatives for speculative or other purposes other than interest rate and currency risk management. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, the Company only enters into derivative financial instruments with counterparties with high credit ratings and with major financial institutions with which the Company and its affiliates may also have other financial relationships. The Company does not anticipate that any such counterparties will fail to meet their obligations.

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the consolidated balance sheets as of December 31, 2015 and 2014 :

		December 31,	
(In thousands)	Balance Sheet Location	2015	2014
Derivatives designated as hedging instruments:			
Interest rate swaps (GBP)	Derivative assets, at fair value	$ 567	$ 18
Cross currency swaps (GBP)	Derivative assets, at fair value	—	4,517
Cross currency swaps (EUR)	Derivative assets, at fair value	—	7,219
Interest rate swaps (GBP)	Derivative liabilities, at fair value	(3,313)	(4,353)
Interest rate swaps (EUR)	Derivative liabilities, at fair value	(2,715)	(1,315)
Cross currency swaps (GBP)	Derivative liabilities, at fair value	—	(447)
Total		$ (5,461)	$ 5,639
Derivatives not designated as hedging instruments:			
Foreign currency forwards (EUR-USD)	Derivative assets, at fair value	$ 1,113	$ 736
Foreign currency forwards (GBP-USD)	Derivative assets, at fair value	1,090	1,148
Cross currency swaps (GBP)	Derivative assets, at fair value	509	—
Cross currency swaps (EUR)	Derivative assets, at fair value	2,533	—
Total		$ 5,245	$ 1,884

The table below presents a gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of December 31, 2015 and 2014 . The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the accompanying consolidated balance sheets.

					Gross Amounts Not Offset on the Balance Sheet		
(In thousands)	Gross Amounts of Recognized Assets	Gross Amounts of Recognized (Liabilities)	Gross Amounts Offset on the Balance Sheet	Net Amounts of Assets (Liabilities) presented on the Balance Sheet	Financial Instruments	Cash Collateral Received (Posted)	Net Amount
December 31, 2015	$ 5,812	$ (6,028)	$ —	$ (216)	$ —	$ —	$ (216)
December 31, 2014	$ 13,638	$ (6,115)	$ —	$ 7,523	$ —	$ —	$ 7,523

In addition to the above derivative arrangements, the Company also uses non-derivative financial instruments to hedge its exposure to foreign currency exchange rate fluctuations as part of its risk management program, including foreign denominated debt issued and outstanding with third parties to protect the value of its net investments in foreign subsidiaries against exchange rate fluctuations. The Company draws foreign currency advances under its Credit Facility to fund certain investments in the respective local currency which creates a natural hedge against the original equity invested in the real estate investments, removing the need for the final cross currency swaps (See Note 4 — Revolving Credit Facility). As further discussed below, in conjunction with the restructuring of the cross currency swaps on February 4, 2015, foreign currency advances of €110.5 million and £68.5 million were drawn under the Company's Credit Facility. The Company separately designated each foreign currency draw as a net investment hedge under ASC 815. Effective May 17, 2015, the Company modified the hedging relationship and designated all foreign currency draws as net investment hedges to the extent of the Company's net investment in foreign subsidiaries. To the extent foreign draws in each currency exceed the net investment, the Company reflects the effects of changes in currency on such excess in earnings. As of December 31, 2015 , the Company had draws of £36.0 million and €27.9 million in excess of its net investments.

.

Interest Rate Swaps

The Company's objectives in using interest rate swaps are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

As of December 31, 2015 and 2014 , the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

	December 31, 2015		December 31, 2014	
Derivatives	Number of Instruments	Notional Amount	Number of Instruments	Notional Amount
		(In thousands)		*(In thousands)*
Interest rate swaps (GBP)	27	$ 697,925	20	$ 371,225
Interest rate swaps (EUR)	16	561,282	10	282,999
Total	43	$ 1,259,207	30	$ 654,224

The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive income (loss) and is subsequently reclassified into earnings in the period that the hedged forecasted transaction impacts earnings. During 2015 , such derivatives were used to hedge the variable cash flows associated with variable-rate debt. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During the year ended December 31, 2015 , the Company recorded a loss of $0.4 million of ineffectiveness in earnings. During the years ended December 31, 2014 and 2013 there were no losses due to ineffectiveness.

During the year ended December 31, 2015 , the Company terminated/partially terminated two of its interest rate swaps and accelerated the reclassification of amounts in other comprehensive income (loss) to net income (loss) as a result of the hedged forecasted transactions becoming probable not to occur. The accelerated amounts were a loss of $38,000 .

Amounts reported in accumulated other comprehensive income (loss) related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. During the next 12 months , the Company estimates that an additional $4.4 million will be reclassified from other comprehensive income (loss) as an increase to interest expense.

The table below details the location in the financial statements of the gain or loss recognized on interest rate derivatives designated as cash flow hedges for the years ended December 31, 2015 , 2014 and 2013 .

	Year Ended December 31,		
(In thousands)	2015	2014	2013
Amount of gain (loss) recognized in accumulated other comprehensive (loss) income from derivatives (effective portion)	$ 8,800	5,670	$ (1,901)
Amount of loss reclassified from accumulated other comprehensive income (loss) into income as interest expense (effective portion)	$ (4,166)	(2,087)	$ (123)
Amount of loss recognized in income on derivative instruments (ineffective portion, reclassifications of missed forecasted transactions and amounts excluded from effectiveness testing)	$ (371)	—	$ —

Cross Currency Swaps Designated as Net Investment Hedges

The Company is exposed to fluctuations in foreign exchange rates on property investments in foreign countries which pay rental income, incur property related expenses and hold debt instruments in currencies other than its functional currency, the USD. The Company uses foreign currency derivatives including cross currency swaps to hedge its exposure to changes in foreign exchange rates on certain of its foreign investments. Cross currency swaps involve fixing the applicable exchange rate for delivery of a specified amount of foreign currency on specified dates.

On February 4, 2015, the Company restructured its cross currency swaps and replaced its initial US dollar equity funding in certain foreign real estate investments with foreign currency debt. As part of the restructuring, foreign currency advances of €110.5 million and £68.5 million were drawn under the Company's Credit Facility which created a natural hedge against the original equity invested in the real estate investments, thus removing the need for the final equity notional component of the cross currency swaps. Through February 4, 2015, these cross currency swaps had been designated as net investment hedges. For derivatives designated as net investment hedges, the effective portion of changes in the fair value of the derivatives are reported in accumulated other comprehensive income (loss) (outside of earnings) as part of the cumulative translation adjustment. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. Amounts are reclassified out of accumulated other comprehensive income (loss) into earnings when the hedged net investment is either sold or substantially liquidated. The restructuring and settlement of the cross currency swaps resulted in a gain of approximately $19.0 million , with $10.1 million in proceeds received and $8.9 million retained by the bank as a reduction of outstanding Credit Facility balance. The gain will remain in the cumulative translation adjustment (CTA) until such time as the net investments are sold or substantially liquidated in accordance with ASC 830. Following the restructuring noted above, these cross currency swaps no longer qualified for net investment hedge accounting treatment and as such all changes in fair value from February 5, 2015 through December 31, 2015 were recognized in earnings.

As of December 31, 2015 , the Company did not have any outstanding derivative instruments designated as net investment hedges. The Company had the following outstanding cross currency swaps that were used to hedge its net investments in foreign operations at December 31, 2014 :

	December 31, 2014		
Derivatives	Number of Instruments (1)		Notional Amount (1)
			(In thousands)
Cross currency swaps (GBP-USD)	5	$	107,623
Cross currency swaps (EUR-USD)	10	—	134,285
Total	15	$	241,908

(1) Payments and obligations pursuant to these foreign currency swap agreements are guaranteed by the Company, ARC Global Holdco, LLC and the OP.

Foreign Denominated Debt Designated as Net Investment Hedges

Effective May 17, 2015, all foreign currency draws under the Credit Facility were designated as net investment hedges. As such, the effective portion of changes in value due to currency fluctuations are reported in accumulated other comprehensive income (loss) (outside of earnings) as part of the cumulative translation adjustment. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. Amounts are reclassified out of accumulated other comprehensive income (loss) into earnings when the hedged net investment is either sold or substantially liquidated.

As of December 31, 2015 , total foreign currency advances under the Credit Facility were approximately $551.8 million , which reflects advances of £160.2 million ($237.2 million based upon an exchange rate of £1.00 to $1.48 as of December 31, 2015) and advances of €288.4 million ($314.6 million based upon an exchange rate of €1.00 to $1.09 , as of December 31, 2015). The Company recorded gains of $5.1 million and $1.4 million for the years ended December 31, 2015 and 2014 , respectively, due to the ineffectiveness resulting from the over-hedged position of the foreign currency advances over the related net investments. The Company did not recorded any gains (losses) for the year ended December 31, 2013 due to the ineffectiveness resulting from over-hedging in foreign currency advances over the related net investments.

Prior to May 16, 2015 , foreign currency advances which comprised of $92.1 million of Pound Sterling ("GBP") draws (based upon an exchange rate of $1.58 to £1.00 , as of May 16, 2015) and $126.0 million of Euro ("EUR") draws (based upon an exchange rate of $1.14 to €1.00 , as of May 16, 2015) were not designated as net investment hedges and, accordingly, the changes in value through May 16, 2015 due to currency fluctuations were reflected in earnings. As a result, the Company recorded remeasurement losses on the foreign denominated draws of $3.6 million for the year ended December 31, 2015 . No such remeasurement gains (losses) were recorded on the foreign denominate draws for the years ended December 31, 2014 and 2013 . As of December 31, 2015 , total outstanding draws under the Credit Facility denominated in foreign currency was $551.8 million , and total net investments in real estate denominated in foreign currency was $468.3 million , this resulted in an overhedge position of $83.5 million (comprised of £36.0 million and €27.9 million draws). As all foreign draws are now designated as net investment hedges there were no additional remeasurement gains (losses) for the year ended December 31, 2015 .

Non-designated Derivatives

The Company is exposed to fluctuations in the exchange rates of its functional currency, the USD, against the GBP and the EUR. The Company uses foreign currency derivatives including currency forward and cross currency swap agreements to manage its exposure to fluctuations in GBP-USD and EUR-USD exchange rates. While these derivatives are hedging the fluctuations in foreign currencies, they do not meet the strict hedge accounting requirements to be classified as hedging instruments. Changes in the fair value of derivatives not designated as hedges under qualifying hedging relationships are recorded directly in net income (loss). The Company recorded total gains of $3.9 million and $1.9 million on the non-designated hedges for the years ended December 31, 2015 and 2014 , respectively. The Company did not have any non-designated hedges during the year ended December 31, 2013 and therefore did not record any gains (losses).

As of December 31, 2015 and 2014 , the Company had the following outstanding derivatives that were not designated as hedges under qualifying hedging relationships.

Derivatives	December 31, 2015 Number of Instruments	December 31, 2015 Notional Amount	December 31, 2014 Number of Instruments	December 31, 2014 Notional Amount
		(In thousands)		*(In thousands)*
Foreign currency forwards (GBP - USD)	40	$ 6,628	80	$ 13,664
Foreign currency forwards (EUR - USD)	15	6,139	31	12,699
Cross currency swaps (GBP - USD)	9	82,843	—	—
Cross currency swaps (EUR - USD)	5	99,847	—	—
Total	69	$ 195,457	111	$ 26,363

Credit-risk-related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company either defaults or is capable of being declared in default on any of its indebtedness, then the Company could also be declared in default on its derivative obligations.

As of December 31, 2015 , the fair value of derivatives in net liability position including accrued interest but excluding any adjustment for nonperformance risk related to these agreements was $7.1 million . As of December 31, 2015 , the Company had not posted any collateral related to these agreements and was not in breach of any agreement provisions. If the Company had breached any of these provisions, it could have been required to settle its obligations under the agreements at their aggregate termination value.

Note 9 — Common Stock

The Company listed its Common Stock on the NYSE under the symbol "GNL" on June 2, 2015 . In connection with the Listing, the Company repurchased approximately 11.9 million shares of its Common Stock for $10.50 per share, for an aggregate amount of $125.0 million , excluding fees and expenses pursuant to the Tender Offer. The Company funded the Tender Offer using cash on hand and funds available under its Credit Facility.

As of December 31, 2015 and 2014 , the Company had 168,936,633 and 177,933,175 shares of Common Stock outstanding, respectively, including shares issued under the DRIP, but not including unvested restricted shares, the OP Units issued to limited partners other than the Company or long-term incentive units issued in accordance with the OPP which are currently, or may be in the future, convertible into shares of Common Stock.

Monthly Dividends and Change to Payment Dates

The Company pays dividends on the 15th day of each month at a rate of $0.059166667 per share to stockholders of record as of close of business on the 8th day of such month. The Company's board of directors may reduce the amounts of dividends paid or suspend dividend payments at any time and therefore dividend payments are not assured. For purposes of the presentation of information herein, the Company may refer to distributions by the OP on OP Units, Class B units and LTIP Units as dividends.

On April 7, 2015, the Company suspended the DRIP. The final issuance of shares of Common Stock pursuant to the DRIP occurred in connection with the Company’s April dividend which was paid on May 1, 2015.

Share Repurchase Program

On April 7, 2015, the Company's board of directors approved the termination of the Company’s SRP. The Company processed all of the requests received under the SRP in the first quarter of 2015 and will not process further requests.

The following table reflects the cumulative number of common shares repurchased as of December 31, 2014 and 2015 :

	Number of Shares Repurchased	Weighted Average Price per Share
Cumulative repurchases as of December 31, 2014	99,969	9.91
Redemptions	135,123	9.78
Shares repurchased under Tender Offer	11,904,762	10.50
Cumulative repurchases as of December 31, 2015	12,139,854	$ 10.49

Note 10 — Commitments and Contingencies

Operating Ground Leases

Certain properties are subject to ground leases, which are accounted for as operating leases. The ground leases have varying ending dates, renewal options, and rental rate escalations, with the latest leases extending to April 2105. Future minimum rental payments to be made by the Company under these noncancelable ground leases, excluding increases resulting from increases in the consumer price index, are as follows:

(In thousands)	**Future Ground Lease Payments**	
2016	$	1,306
2017		1,307
2018		1,307
2019		1,307
2020		1,307
2021		1,307
Thereafter		41,251
Total	$	49,092

The Company incurred rent expense on ground leases of $0.3 million during the year ended December 31, 2015 . The Company did not have any rent expense on ground leases during the year ended December 31, 2014 .

Litigation and Regulatory Matters

In the ordinary course of business, the Company may become subject to litigation, claims and regulatory matters. There are no material legal or regulatory proceedings pending or known to be contemplated against the Company.

Environmental Matters

In connection with the ownership and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. As of December 31, 2015 , the Company had not been notified by any governmental authority of any non-compliance, liability or other claim, and is not aware of any other environmental condition that it believes will have a material adverse effect on the results of operations.

Note 11 — Related Party Transactions

As of December 31, 2015 and 2014 , the Sponsor, the Special Limited Partner and a subsidiary of the Service Provider owned, in the aggregate, 244,444 shares of the Company's outstanding Common Stock. The Advisor, the Service Provider, and their affiliates may incur costs and fees on behalf of the Company. As of December 31, 2015 and 2014 , the Company had $0.1 million and $0.5 million of receivable from affiliated entities $0.4 million and $0.4 million of payable to their affiliates, respectively.

The Company is the sole general partner of the OP and holds the majority of OP Units. The Special Limited Partner, a limited partner, held 22 OP Units as of December 31, 2015 , which represented a nominal percentage of the aggregate OP ownership.

On June 2, 2015, the Advisor and the Service Provider exchanged 1,726,323 previously-issued Class B units for 1,726,323 OP Units pursuant to the OP Agreement. These OP Units are exchangeable for shares of Common Stock of the Company on a one-for-one basis, or the cash value of shares of Common Stock (at the option of the Company), 12 months from the Listing Date subject to the terms of the limited partnership agreement of the OP. The Advisor and the OP also entered into a Contribution and Exchange Agreement pursuant to which the Advisor contributed $0.8 million in cash to the OP in exchange for 83,333 OP Units. As of December 31, 2015 , the Advisor held a total of 1,461,753 OP Units, the Service Provider held a total of 347,903 OP Units, and the Special Limited Partner held 22 OP Units. The Company paid $0.6 million million of OP Unit distributions during the year ended December 31, 2015 . There were no OP Unit distributions during the year ended December 31, 2014 .

A holder of OP Units, other than the Company, has the right to convert OP Units for a corresponding number of shares of the Company's Common Stock or the cash value equivalent of those corresponding shares, at the Company's option, in accordance with the limited partnership agreement of the OP. The remaining rights of the holders of OP Units are limited, however, and do not include the ability to replace the general partner or to approve the sale, purchase or refinancing of the OP's assets.

On September 30, 2015, the Company fully redeemed its investment of $0.5 million in a real estate income fund managed by an affiliate of the Sponsor (see Note 6 — Fair Value of Financial Instruments).

Fees Paid in Connection with the IPO

The Former Dealer Manager was paid fees and compensation in connection with the sale of the Company's Common Stock in the IPO which was completed on June 30, 2014. Specifically, the Former Dealer Manager was paid selling commissions of up to 7.0% of the per share purchase price of offering proceeds before reallowance of commissions earned by participating broker-dealers. In addition, the Former Dealer Manager was paid 3.0% of the per share purchase price from the sale of the Company's shares, a portion of which was reallowed to participating broker-dealers.

The following table details total selling commissions and dealer manager fees incurred from and payable to the Former Dealer Manager related to the sale of Common Stock as of and for the periods presented:

	Year Ended December 31,		Payable as of December 31,	
(In thousands)	2015	2014	2015	2014
Total commissions and fees to Former Dealer Manager	$ (8)	$ 148,372	$ —	$ 13

The Advisor and its affiliates were paid compensation and received reimbursement for services relating to the IPO, including transfer agent services provided by an affiliate of the Former Dealer Manager. All offering costs incurred by the Company or the Advisor and its affiliated entities on behalf of the Company have been charged to additional paid-in capital on the accompanying consolidated balance sheets. The following table details fees and offering cost reimbursements incurred and payable to the Advisor and the Former Dealer Manager related to the sale of Common Stock as of and for the periods presented:

	Year Ended December 31,		Payable as of December 31,	
(In thousands)	2015	2014	2015	2014
Fees and expense reimbursements to the Advisor and Former Dealer Manager	$ —	$ 16,920	$ —	$ 61

The Company was responsible for paying offering and related costs from the IPO, excluding commissions and dealer manager fees, up to a maximum of 1.5% of gross proceeds received from its ongoing offering of Common Stock, measured at the end of the offering. Offering costs in excess of the 1.5% cap as of the end of the offering were the Advisor's responsibility. During 2015 , the Advisor reimbursed the Company $0.5 million of offering costs. Offering and related costs, excluding commissions and dealer manager fees, did not exceed 1.5% of gross proceeds received from the IPO.

After the escrow break, the Advisor elected to cap cumulative offering costs incurred by the Company, net of unpaid amounts, to 11.5% of gross common stock proceeds during the offering period. As of December 31, 2015 , cumulative offering costs were $188.1 million . Cumulative offering costs of the IPO net of unpaid amounts did not exceed 11.5% .

Fees Paid in Connection With the Operations of the Company

Until June 2, 2015, the Advisor was paid an acquisition fee of 1.0% of the contract purchase price of each acquired property and 1.0% of the amount advanced for a loan or other investment. Solely with respect to investment activities in Europe, the Service Provider was paid 50% of the acquisition fees and the Advisor was paid the remaining 50% , as set forth in the service provider agreement. The Advisor was also reimbursed for insourced expenses incurred in the process of acquiring properties, which were limited to 0.5% of the contract purchase price and 0.5% of the amount advanced for a loan or other investment. Additionally, the Company will pay third party acquisition expenses.

The Company's Advisor provides services in connection with the origination or refinancing of any debt that the Company obtained and used to acquire properties or to make other permitted investments, or that is assumed, directly or indirectly, in connection with the acquisition of properties. Until June 2, 2015, the Company paid the Advisor a financing coordination fee equal to 0.75% of the amount available and/or outstanding under such financing, subject to certain limitations. Solely with respect to the Company's investment activities in Europe, the Service Provider was paid 50% of the financing coordination fees and the Advisor received the remaining 50% .

Until the Listing, the Company compensated the Advisor for its asset management services in an amount equal to 0.75% per annum of the total of: the cost of the Company's assets (cost includes the purchase price, acquisition expenses, capital expenditures and other customarily capitalized costs, but excluding acquisition fees) plus costs and expenses incurred by the Advisor in providing asset management services, less the excess, if any, of dividends over FFO plus acquisition fees expenses and restricted share grant amortization. Until April 1, 2015, as compensation for this arrangement, the Company caused the OP to issue (subject to periodic approval by the board of directors) to the Advisor and Service Provider performance-based restricted partnership units of the OP designated as "Class B units," which were intended to be profits interests and would vest, and no longer be subject to forfeiture, at such time as: (x) the value of the OP's assets plus all distributions made equaled or exceeded the total amount of capital contributed by investors plus a 6.0% cumulative, pre-tax, non-compounded annual return thereon (the "economic hurdle"); (y) any one of the following had occurred: (1) the termination of the advisory agreement by an affirmative vote of a majority of the Company's independent directors without cause; (2) a listing; or (3) another liquidity event; and (z) the Advisor is still providing advisory services to the Company (the "performance condition"). The value of issued Class B units was determined and expensed when the Company deemed the achievement of the performance condition was probable, which occurred as of the Listing. As of June 2, 2015, in aggregate the board of directors had approved the issuance of 1,726,323 Class B units to the Advisor and the Service Provider in connection with this arrangement. The Advisor and the Service Provider received distributions on unvested Class B units equal to the dividend rate received on the Company's Common Stock. Such distributions on issued Class B units in the amount of $0.3 million and $0.2 million were included in general and administrative expenses in the consolidated statements of operations for the years ended December 31, 2015 and 2014 , respectively. Subsequent to the Listing, the Company recorded OP Unit distributions which are included in consolidated statements of changes in equity. From April 1, 2015 to the Listing Date, the Advisor was paid for its asset management services in cash.

The performance condition related to these Class B units was satisfied upon completion of the Listing, and the Class B units vested at a cost of $14.5 million on June 2, 2015 . Concurrently, the Class B units were converted to OP Units on a one-to-one basis. The vested value was calculated based, in part, on the closing price of Company's Common Stock on June 2, 2015 less an estimated discount for the one year lock-out period of transferability or liquidity of the OP Units.

On the Listing Date, the Company entered into the Fourth Amended and Restated Advisory Agreement (the “Advisory Agreement”) by and among the Company, the OP and the Advisor, which, among other things, eliminated the acquisition fee and finance coordination fee payable to the Advisor under the original Advisory Agreement, as amended, except for fees with respect to properties under contract, letter of intent or under negotiation as of the Listing Date. Under the terms of the Advisory Agreement, the Company pays the Advisor:

(i) a base fee of $18.0 million per annum payable in cash monthly in advance (“Minimum Base Management Fee”);

(ii) plus a variable fee, payable monthly in advance in cash, equal to 1.25% of the cumulative net proceeds realized by the Company from the issuance of any common equity, including any common equity issued in exchange for or conversion of preferred stock or exchangeable notes, as well as, from any other issuances of common, preferred, or other forms of equity of the Company, including units of any operating partnership (“Variable Base Management Fee”); and

(iii) an incentive fee (“Incentive Compensation”), 50% payable in cash and 50% payable in shares of the Company’s Common Stock (which shares are subject to certain lock up restrictions), equal to: (a) 15% of the Company’s Core AFFO (as defined in the Advisory Agreement) per weighted average share outstanding for the applicable period (“Core AFFO Per Share”)(1) in excess of an incentive hurdle based on an annualized Core AFFO Per Share of $0.78 , plus (b) 10% of the Core AFFO Per Share in excess of an incentive hurdle of an annualized Core AFFO Per Share of $1.02 . The $0.78 and $1.02 incentive hurdles are subject to annual increases of 1% to 3% . The Base Management Fee and the Incentive Compensation are each subject to an annual adjustment.

The annual aggregate amount of the Minimum Base Management Fee and Variable Base Management Fee (collectively, the "Base Management Fee") that may be paid under the Advisory Agreement will also be subject to varying caps based on assets under management ("AUM") [2] , as defined in the Advisory Agreement.

---

[1] For purposes of the Advisory Agreement, Core AFFO per share means (i) Net income adjusted for the following items (to the extent they are included in Net income): (a) real estate related depreciation and amortization; (b) Net income from unconsolidated partnerships and joint ventures; (c) one-time costs that the Advisor deems to be non-recurring; (d) non-cash equity compensation (other than any Restricted Share Payments); (e) other non-cash income and expense items; (f) non-cash dividends related to the Class B Units of the OP and certain non-cash interest expenses related to securities that are convertible to Common Stock; (g) gains (or losses) from the sale of Investments; (h) impairment losses on real estate; (i) acquisition and transaction related costs; (j) straight-line rent; (k) amortization of above and below market leases and liabilities; (l) amortization of deferred financing costs; (m) accretion of discounts and amortization of premiums on debt investments; (n) mark-to-market adjustments included in Net income; (o) unrealized gains or losses resulting from consolidation from, or deconsolidation to, equity accounting, and (p) consolidated and unconsolidated partnerships and joint ventures. (ii) divided by the weighted average outstanding shares of Common Stock on a fully diluted basis for such period.

[2] For purposes of the Advisory Agreement, "AUM" means, for a specified period, an amount equal to (A) (i) the aggregate costs of the Company's investments (including acquisition fees and expenses) at the beginning of such period (before reserves for depreciation of bad debts, or similar non-cash reserves) *plus* (ii) the aggregate cost of the Company's investment at the end of such period (before reserves from depreciation or bad debts, or similar non-cash reserves) divided by (B) two (2).

In addition, the per annum aggregate amount of the Base Management Fee and the Incentive Compensation to be paid under the Advisory Agreement is capped at (a) 1.25% of the AUM for the previous year if AUM is less than or equal to $5.0 billion ; (b) 0.95% if the AUM is equal to or exceeds $15.0 billion ; or (c) a percentage equal to: (A) 1.25% less (B) (i) a fraction, (x) the numerator of which is the AUM for such specified period less $5.0 billion and (y) the denominator of which is $10.0 billion multiplied by (ii) 0.30% if AUM is greater than $5.0 billion but less than $15.0 billion . The Variable Base Management Fee is also subject to reduction if there is a sale or sales of one or more Investments in a single or series of related transactions exceeding $200.0 million and, the special dividend(s) related thereto.

In connection with providing strategic advisory services related to certain portfolio acquisitions, the Company has entered into arrangements in which the investment banking division of the Former Dealer Manager is paid a transaction fee of 0.25% of the Transaction Value for such portfolio acquisition transactions. Pursuant to such arrangements to date, the Transaction Value has been defined as: (i) the value of the consideration paid or to be paid for all the equity securities or assets in connection with the sale transaction or acquisition transaction (including consideration payable with respect to convertible or exchangeable securities and option, warrants or other exercisable securities and including dividends or dividends and equity security repurchases made in anticipation of or in connection with the sale transaction or acquisition transaction), or the implied value for all the equity securities or assets of the Company or acquisition target, as applicable, if a partial sale or purchase is undertaken, plus (ii) the aggregate value of any debt, capital lease and preferred equity security obligations (whether consolidated, off-balance sheet or otherwise) of the Company or acquisition target, as applicable, outstanding at the closing of the sale transaction or acquisition transaction), plus (iii) the amount of any fees, expenses and promote paid by the buyer(s) on behalf of the Company or the acquisition target, as applicable. Should the Former Dealer Manager provide strategic advisory services related to additional portfolio acquisition transactions, the Company will enter into new arrangements with the Former Dealer Manager on such terms as may be agreed upon between the two parties.

Property Manager provides property management and leasing services for properties owned by the Company, for which the Company pays fees equal to: (i) with respect to stand-alone, single-tenant net leased properties which are not part of a shopping center, 2.0% of gross revenues from the properties managed and (ii) with respect to all other types of properties, 4.0% of gross revenues from the properties managed.

For services related to overseeing property management and leasing services provided by any person or entity that is not an affiliate of the Property Manager, the Company pays the Property Manager an oversight fee equal to 1.0% of gross revenues of the property managed.

Solely with respect to the Company's investments in properties located in Europe, the Service Provider receives a portion of the fees payable to the Advisor equal to: (i) with respect to single-tenant net leased properties which are not part of a shopping center, 1.75% of the gross revenues from such properties and (ii) with respect to all other types of properties, 3.5% of the gross revenues from such properties. The Property Manager is paid 0.25% of the gross revenues from European single-tenant net leased properties which are not part of a shopping center and 0.5% of the gross revenues from all other types of properties, reflecting a split of the oversight fee with the Service Provider.

The following table reflects related party fees incurred, forgiven and contractually due as of and for the periods presented:

	Year Ended December 31,						Payable as of December 31,		
	2015		2014		2013				
(In thousands)	Incurred	Forgiven	Incurred	Forgiven	Incurred	Forgiven	2015	2014	2013
One-time fees and reimbursements:									
Acquisition fees and related cost reimbursements [1]	$ 735	$ —	$ 32,915	$ —	$ 2,447	$ —	$ —	$ 2	$ —
Transaction fee	—	—	—	—	165	—	—	—	—
Financing coordination fees [2]	1,159	—	6,546	—	926	—	466 [6]	—	—
Ongoing fees:									
Asset management fees [3]	13,501	—	—	—	—	—	217 [5]	—	—
Property management and leasing fees [4]	3,982	2,507	1,316	690	50	25	91 [6]	52	1
Strategic advisory fees	—	—	561	—	359	—	—	—	—
Class B OP Unit Distributions	339	—	178	—	4	—	—	—	—
LTIP Distributions	375	—	—	—	—	—	375 [7]	—	—
Vesting of Class B units [3]	14,480	—	—	—	—	—	—	—	—
Total related party operational fees and reimbursements	$ 34,571	$ 2,507	$ 41,516	$ 690	$ 3,951	$ 25	$ 1,149	$ 54	$ 1

(1) These affiliated fees are recorded within acquisition and transaction related costs on the consolidated statements of operations.

(2) These affiliated costs are recorded as deferred financing costs and amortized over the term of the respective financing arrangement.

(3) From January 1, 2013 to April 1, 2015, the Company caused the OP to issue to the Advisor (subject to periodic approval by the board of directors) restricted performance based Class B units for asset management services, which would vest if certain conditions occur. At the Listing Date, all Class B units held by the Advisor converted to OP Units. From April 1, 2015 until the Listing Date, the Company paid the Advisor asset management fees in cash (as elected by the Advisor). From the Listing Date, the Advisor received asset management fees in cash in accordance with the Amended and Restated Advisory Agreement. No Incentive Compensation was incurred for the year ended December 31, 2015 .

(4) The Advisor waived 100% of fees from U.S. assets and its allocated portion of 50% of fees from European assets.

(5) Balance included within due to affiliates on the consolidated balance sheets as of December 31, 2015 . In addition, due to affiliates includes $0.8 million of costs accrued for transfer asset and personnel services received from the Company's affiliated parties including ANST, Advisor and RCS which are recorded within general and administrative expenses on the consolidated statements of operations for the year ended December 31, 2015 and are not reflected in the table above.

(6) Balance included within accounts payable and accrued expenses on the consolidated balance sheets as of December 31, 2015 .

(7) Balance included within dividends payable on the consolidated balance sheets as of December 31, 2015 .

The Company reimburses the Advisor's costs of providing administrative services, subject to the limitation that the Company will not reimburse the Advisor for any amount by which the Company's operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (a) 2.0% of average invested assets and (b) 25.0% 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, the Company reimburses the Advisor for personnel costs in connection with other services, in addition to paying an asset management fee; however, the Company does not reimburse the Advisor for personnel costs in connection with services for which the Advisor receives acquisition fees or real estate commissions. No reimbursement was incurred from the Advisor for providing services during the years ended December 31, 2015 , 2014 and 2013 .

In order to improve operating cash flows and the ability to pay dividends from operating cash flows, the Advisor may waive certain fees including asset management and property management fees. Because the Advisor may waive certain fees, cash flow from operations that would have been paid to the Advisor may be available to pay dividends to stockholders. The fees that may be forgiven are not deferrals and accordingly, will not be paid to the Advisor. In certain instances, to improve the Company's working capital, the Advisor may elect to absorb a portion of the Company's general and administrative costs or property operating expenses. These absorbed costs are presented net in the accompanying consolidated statements of operations. During the year ended December 31, 2015 , the Advisor absorbed some of the property management and professional fees. During the year ended December 31, 2014 , there were no property operating and general administrative expenses absorbed by our Advisor.

The predecessor to AR Global is a party to a services agreement with RCS Advisory Services, LLC, a subsidiary of the parent company of the Former Dealer Manager ("RCS Advisory"), pursuant to which RCS Advisory and its affiliates provided the Company and certain other companies sponsored by AR Global with services (including, without limitation, transaction management, compliance, due diligence, event coordination and marketing services, among others) on a time and expenses incurred basis or at a flat rate based on services performed. The predecessor to AR Global instructed RCS Advisory to stop providing such services in November 2015 and no services have since been provided by RCS Advisory.

The Company is also party to a transfer agency agreement with American National Stock Transfer, LLC, a subsidiary of the parent company of the Former Dealer Manager ("ANST"), pursuant to which ANST provided the Company with transfer agency services (including broker and stockholder servicing, transaction processing, year-end IRS reporting and other services), and supervisory services overseeing the transfer agency services performed by a third-party transfer agent. AR Global received written notice from ANST on February 10, 2016 that it would wind down operations by the end of the month and would withdraw as the transfer agent effective February 29, 2016. The Company's current provider of sub-transfer agency services will provide the Company with transfer agency services (including broker and stockholder servicing, transaction processing, year-end IRS reporting and other services) until the Company enters into a definitive transfer agency agreement with a transfer agent.

During the year ended December 31, 2015 , the Company has incurred approximately $0.8 million of recurring transfer agent services fees to ANST which were included in general and administrative expenses in the consolidated statements of operations.

The following table details property operating and general and administrative expenses absorbed by the Advisor during the three years ended December 31, 2015 , 2014 , and 2013 :

	Year Ended December 31,		
(In thousands)	2015	2014	2013
Property operating expenses absorbed	$ —	$ 178	$ 4
General and administrative expenses absorbed	—	—	1,292
Total expenses absorbed [(1)]	$ —	$ 178	$ 1,296

(1) The Company had had $0.5 million and $0.1 million receivables from the Advisor related to absorbed costs as of December 31, 2014 and 2013 , respectively,.

Fees Paid in Connection with the Liquidation or Listing of the Company's Real Estate Assets

On December 31, 2014, the Company entered into an agreement with RCS Capital, the investment banking and capital markets division of the Former Dealer Manager, for strategic and financial advice and assistance in connection with (i) a possible sale transaction involving the Company (ii) the possible listing of the Company's securities on a national securities exchange, and (iii) a possible acquisition transaction involving the Company. The Company also retained Barclays Capital Inc. as a strategic advisor. Both RCS Capital and Barclays Capital Inc., were each entitled to receive a transaction fee equal to 0.23% of the transaction value in connection with a possible sale transaction, listing or acquisition, if any. In connection with Listing, the Company incurred approximately $18.7 million of listing related fees during the year ended December 31, 2015 of which $6.0 million was paid to RCS Capital and $6.1 million to Barclays Capital Inc., including out of pocket expense in connection with these agreements. The Company did not incur any additional listing fees during the year ended December 31, 2014 . In addition, the Company incurred and paid to RCS Capital $2.5 million for personnel and support services in connection with the Listing. The Company also incurred $0.6 million of transfer agent fees to ANST in relation to the Listing. In connection with the Listing and the Advisory Agreement, the Company terminated the subordinated termination fee that would be due to the Advisor in the event of termination of the advisory agreement. All costs noted above were included in listing fees in the consolidated statements of operations under listing fees for the year ended December 31, 2015 .

Note 12 — Economic Dependency

Under various agreements, the Company has engaged or will engage the Advisor, its affiliates and entities under common control with the Advisor, and the Service Provider, to provide certain services that are essential to the Company, including asset management services, supervision of the management and leasing of properties owned by the Company, asset acquisition and disposition decisions, the sale of shares of the Company's Common Stock available for issue, transfer agency services, as well as other administrative responsibilities for the Company including accounting services and investor relations.

As a result of these relationships, the Company is dependent upon the Advisor and its affiliates and the Service Provider. In the event that these companies are unable to provide the Company with the respective services, the Company will be required to find alternative providers of these services.

Note 13 — Share-Based Compensation

Stock Option Plan

The Company has a stock option plan (the "Plan") which authorizes the grant of nonqualified stock options to the Company's independent directors, officers, advisors, consultants and other personnel, subject to the absolute discretion of the board of directors and the applicable limitations of the Plan. The exercise price for all stock options granted under the Plan will be equal to the fair market value of a share on the last business day preceding the annual meeting of stockholders. A total of 0.5 million shares have been authorized and reserved for issuance under the Plan. As of December 31, 2015 , 2014 and 2013 , no stock options were issued under the Plan.

Restricted Share Plan

The Company's employee and director incentive restricted share plan ("RSP") provides the Company with the ability to grant awards of restricted shares to the Company's directors, officers and employees (if the Company ever has employees), employees of the Advisor and its affiliates, employees of entities that provide services to the Company, directors of the Advisor or of entities that provide services to the Company, certain consultants to the Company and the Advisor and its affiliates or to entities that provide services to the Company.

Prior to April 8, 2015 , the RSP provided for the automatic grant of 3,000 restricted shares of Common Stock to each of the independent directors, without any further action by the Company's board of directors or the stockholders, on the date of initial election to the board of directors and on the date of each annual stockholder's meeting. Restricted stock issued to independent directors will vest over a five -year period beginning on the first anniversary of the date of grant in increments of 20% per annum. On April 8, 2015 , the Company amended the RSP ("the Amended RSP"), among other things, to remove the fixed amount of shares that are automatically granted to the independent directors and remove the fixed vesting period of five years. Under the Amended RSP, the annual amount granted to the independent directors is determined by the board of directors.

Effective upon the Listing Date, the Company’s board of directors approved the following changes to independent director compensation: (i) increasing in the annual retainer payable to all independent directors to $100,000 per year, (ii) increase in the annual retainer for the non-executive chair to $105,000 , (iii) increase in the annual retainer for independent directors serving on the audit committee, compensation committee or nominating and corporate governance committee to $30,000 . All annual retainers are payable 50% in the form of cash and 50% in the form of restricted stock units ("RSU") which vest over a three -year period. In addition, the directors have the option to elect to receive the cash component in the form of RSUs which would vest over a three-year period. Under the Amended RSP, restricted share awards entitle the recipient to receive shares of Common Stock from the Company under terms that provide for vesting over a specified period of time or upon attainment of pre-established performance objectives. Such awards would typically be forfeited with respect to the unvested shares upon the termination of the recipient's employment or other relationship with the Company. In connection with the Listing, the Company's board of directors also approved a one-time retention grant of 40,000 RSUs to each of the directors valued at $8.52 per unit, which vest over a five -year period. On July 13, 2015 , the Company granted an annual retainer to each of its independent directors comprising of 50% (or $0.1 million) in cash and 50% (or 7,352) in RSUs which vest over a three -year period with the vesting period beginning on June 15, 2015. In addition, the Company granted $0.1 million in non executive chair compensation in cash and 50% (or 5,882) in RSUs which vest over a three -year period with the vesting period beginning on June 15, 2015 .

Prior to April 8, 2015 , the total number of shares of Common Stock granted under the RSP could not exceed 5.0% of the Company's outstanding shares on a fully diluted basis at any time, and in any event could not exceed 7.5 million shares (as such number may be adjusted for stock splits, stock dividends, combinations and similar events). The Amended RSP increased the number of shares the Company's Common Stock, par value $0.01 per share, available for awards thereunder to 10% of the Company’s outstanding shares of Common Stock on a fully diluted basis at any time. The Amended RSP also eliminated the limit of 7.5 million shares of Common Stock permitted to be issued as RSUs.

Restricted shares may not, in general, be sold or otherwise transferred until restrictions are removed and the shares have vested. Holders of restricted shares may receive cash dividends prior to the time that the restrictions on the restricted shares have lapsed. Any dividends payable in common shares shall be subject to the same restrictions as the underlying restricted shares.

The following table reflects restricted share award activity for the years ended December 31, 2015 , 2014 and 2013 .

	Number of Restricted Shares	Weighted-Average Issue Price
Unvested, December 31, 2012	9,000	$ 9.00
Granted	9,000	9.00
Vested	(1,800)	9.00
Unvested, December 31, 2013	16,200	9.00
Granted	9,000	9.00
Vested	(10,800)	9.00
Unvested, December 31, 2014	14,400	9.00
Granted prior to Listing Date [(1)]	3,000	9.00
One-time Listing Grant	160,000	8.52
Granted [(2)]	27,938	8.84
Vested [(3)]	(17,400)	9.00
Unvested, December 31, 2015	187,938	$ 8.57

(1) Based on the original RSP in place prior to April 8, 2015 .

(2) Based on the Amended RSP which provides an annual retainer to: (i) all independent directors; (ii) independent directors serving on the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee; and (iii) the non-executive chair.

(3) RSUs granted prior to April 8, 2015 vested immediately prior to the Listing.

The fair value of the restricted shares granted prior to the Listing Date is based on the per share price in the IPO and the fair value of the restricted shares granted on or after the Listing Date is based on the market price of Common Stock as of the grant date, and is expensed over the vesting period. Compensation expense related to restricted stock was approximately $0.2 million , $0.1 million and $24,000 during the year s ended December 31, 2015 , 2014 and 2013 , respectively, and is recorded as equity based compensation during 2015 and general and administrative expenses during 2014 and 2013 in the accompanying consolidated statements of operations. As of December 31, 2015 , the Company had $1.4 million of unrecognized compensation cost related to unvested restricted share awards granted under the Company's RSP. That cost is expected to be recognized over a weighted average period of 4.2 years .

Multi-Year Outperformance Agreement

In connection with the Listing, the Company entered into the OPP with the OP and the Advisor. Under the OPP, the Advisor was issued 9,041,801 LTIP Units in the OP with a maximum award value on the issuance date equal to 5.00% of the Company's market capitalization (the "OPP Cap"). The LTIP Units are structured as profits interests in the OP.

The Advisor will be eligible to earn a number of LTIP Units with a value equal to a portion of the OPP Cap upon the first, second and third anniversaries of the Effective Date, which is the Listing Date, June 2, 2015 , based on the Company's achievement of certain levels of total return to its stockholders ("Total Return"), including both share price appreciation and Common Stock dividends, as measured against a peer group of companies, as set forth below, for the three-year performance period commencing on the Effective Date (the " Three -Year Period"); each 12-month period during the Three -Year Period (the " One -Year Periods"); and the initial 24-month period of the Three -Year Period (the " Two -Year Period"), as follows:

	Performance Period	Annual Period	Interim Period
Absolute Component: 4% of any excess Total Return attained above an absolute hurdle measured from the beginning of such period:	21%	7%	14%
Relative Component: 4% of any excess Total Return attained above the Total Return for the performance period of the Peer Group*, subject to a ratable sliding scale factor as follows based on achievement of cumulative Total Return measured from the beginning of such period:			
• 100% will be earned if cumulative Total Return achieved is at least:	18%	6%	12%
• 50% will be earned if cumulative Total Return achieved is:	—%	—%	—%
• 0% will be earned if cumulative Total Return achieved is less than:	—%	—%	—%
• a percentage from 50% to 100% calculated by linear interpolation will be earned if the cumulative Total Return achieved is between:	0% - 18%	0% - 6%	0% - 12%

* The "Peer Group" is comprised of Gramercy Property Trust Inc., Lexington Realty Trust, Select Income REIT, and W.P. Carey Inc.

The potential outperformance award is calculated at the end of each One -Year Period, the Two -Year Period and the Three -Year Period. The award earned for the Three -Year Period is based on the formula in the table above less any awards earned for the Two -Year Period and One -Year Periods, but not less than zero; the award earned for the Two -Year Period is based on the formula in the table above less any award earned for the first and second One -Year Period, but not less than zero. Any LTIP Units that are unearned at the end of the Performance Period will be forfeited.

Subject to the Advisor's continued service through each vesting date, one third of any earned LTIP Units will vest on each of the third, fourth and fifth anniversaries of the Effective Date. Any earned and vested LTIP Units may be converted into OP Units in accordance with the terms and conditions of the limited partnership agreement of the OP. The OPP provides for early calculation of LTIP Units earned and for the accelerated vesting of any earned LTIP Units in the event Advisor is terminated or in the event the Company incurs a change in control, in either case prior to the end of the Three -Year Period.

The Company records equity based compensation expense associated with the awards over the requisite service period of five years on a graded vesting basis. Equity-based compensation expense is adjusted each reporting period for changes in the estimated market-related performance. Compensation expense related to the OPP was $2.2 million for the year ended December 31, 2015 . There was no compensation expense related to the OPP for the year ended December 31, 2014 . Subject to the Advisor's continued service through each vesting date, one third of any earned LTIP Units will vest on each of the third, fourth and fifth anniversaries of the Effective Date. Until such time as an LTIP Unit is earned in accordance with the provisions of the OPP, the holder of such LTIP Unit is entitled to dividends on such LTIP Unit equal to 10% of the distributions made per OP Unit. The Company has accrued $0.4 million in distributions related to LTIP Units during the year ended December 31, 2015 , which is included in non-controlling interest in the consolidated balance sheets. After an LTIP Unit is earned, the holder of such LTIP Unit is entitled to a catch-up distribution and then the same distributions as the holders of an OP Unit. At the time the Advisor's capital account with respect to an LTIP Unit is economically equivalent to the average capital account balance of an OP Unit, the LTIP Unit has been earned and it has been vested for 30 days , the Advisor, in its sole discretion, will be entitled to convert such LTIP Unit into an OP Unit in accordance with the provisions of the limited partnership agreement of the OP. The OPP provides for early calculation of LTIP Units earned and for the accelerated vesting of any earned LTIP Units in the event Advisor is terminated by the Company or in the event the Company incurs a change in control, in either case prior to the end of the Three -Year Period.

On February 25, 2016 , the OPP was amended and restated to reflect the merger of two of the companies in the peer group.

Other Share-Based Compensation

The Company may issue Common Stock in lieu of cash to pay fees earned by the Company's directors at each director's election. There are no restrictions on the shares issued since these payments in lieu of cash relate to fees earned for services performed. There were no such shares of Common Stock issued in lieu of cash during the year ended December 31, 2015 and 2013 . There were 1,056 such shares of Common Stock issued in lieu of cash during the year ended December 31, 2014 which resulted in additional share based compensation of $10,000 .

Note 14 — Earnings Per Share

The following is a summary of the basic and diluted net income (loss) per share computation for the year s ended December 31, 2015 , 2014 and 2013 :

	Year Ended December 31,		
(In thousands, except share and per share data)	2015	2014	2013
Net loss attributable to stockholders	$ (2,065)	$ (53,594)	$ (6,989)
Adjustments to net income (loss) attributable to stockholders for common share equivalents	(442)	—	—
Adjusted net loss attributable to stockholders	(2,507)	(53,594)	(6,989)
Basic and diluted net loss per share	(0.01)	$ (0.43)	$ (1.28)
Basic and diluted weighted average shares outstanding	174,309,894	126,079,369	5,453,404

Under current authoritative guidance for determining earnings per share, all nonvested share-based payment awards that contain non-forfeitable rights to distributions are considered to be participating securities and therefore are included in the computation of earnings per share under the two-class method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common shares and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings. Our nonvested RSUs and LTIPs contain rights to receive non-forfeitable distributions and therefore we apply the two-class method of computing earnings per share. The calculation of earnings per share below excludes the non-forfeitable distributions to the nonvested RSUs and LTIPs from the numerator.

Diluted net income (loss) per share assumes the conversion of all Common Stocks share equivalents into an equivalent number of common shares, unless the effect is anti-dilutive. The Company considers unvested restricted stock, OP Units (excluding converted Class B units) and LTIP Units to be common share equivalents. For the years ended December 31, 2015 , 2014 and 2013 , the following common share equivalents were excluded from the calculation of diluted earnings per share:

	December 31,		
	2015	2014	2013
Unvested restricted stock	187,938	14,400	16,200
OP Units [1]	1,809,678	22	22
Class B units	—	705,743	23,392
OPP (LTIP Units)	9,041,801	—	—
Total anti-dilutive common share equivalents	11,039,417	720,165	39,614

[1] OP Units included 1,726,323 of converted Class B units on Listing, 83,333 OP Units issued to the Advisor, and 22 OP Units issued to the Special Limited Partner.

Conditionally issuable shares relating to the OPP award (See Note 13 — Share Based Compensation) would be included in the computation of fully diluted EPS (if dilutive) based on shares that would be issued if the balance sheet date were the end of the measurement period. No LTIP share equivalents were included in the computation for the year ended December 31, 2015 because no units or shares would have been issued based on the stock price at December 31, 2015 .

Note 15 – Quarterly Results (Unaudited)

Presented below is a summary of the unaudited quarterly financial information for years ended December 31, 2015 and 2014 :

(In thousands, except share and per share data)	Quarters Ended			
2015	**March 31, (1)**	**June 30,**	**September 30, (2)**	**December 31, (3)**
Total revenue	$ 49,969	$ 49,068	$ 50,252	$ 56,043
Net income (loss) attributable to stockholders	25,855	(45,664)	5,432	12,312
Adjustments to net income (loss) attributable to stockholders for common share equivalents	—	—	(249)	(193)
Adjusted net income (loss) attributable to stockholders	$ 25,855	$ (45,664)	$ 5,183	$ 12,119
Basic and diluted weighted average shares outstanding	179,156,462	180,380,436	168,948,345	168,936,633
Basic and diluted net income (loss) per share attributable to stockholders	$ 0.14	$ (0.25)	$ 0.03	$ 0.07

(In thousands, except share and per share data)	Quarters Ended			
2014	**March 31,**	**June 30,**	**September 30,**	**December 31,**
Total revenue	$ 7,547	$ 13,628	$ 25,902	$ 46,306
Net loss	$ (16,349)	$ (7,479)	$ (24,558)	$ (5,208)
Basic and diluted weighted average shares outstanding	37,602,790	111,819,848	175,401,867	177,414,574
Basic and diluted net loss per share	$ (0.43)	$ (0.07)	$ (0.14)	$ (0.03)

---

(1) As discussed in Note 2 — Summary of Significant Accounting Policies, the Company reflected adjustments in the three months periods ended March 31, 2015 and December 31, 2015 to correct errors in straight line rent and taxes relating to fiscal 2014.

(2) The Company identified errors in accounting for certain cross currency derivatives that were no longer designated as hedges subsequent to their restructuring on February 4, 2015 (see Note 8 — Derivatives and Hedging Activities) where gains that should have been included in net income (loss) were instead included in other comprehensive income (loss) of approximately $0.5 million and $0.6 million during the thee month periods ended March 31, 2015 and June 30, 2015, respectively. The Company has concluded that these adjustments are not material to the financial position or results of operations for the current period or any of the respective prior periods, accordingly, the Company recorded the additional gains on these non-designated derivative instruments of $1.1 million during the three month period ended September 30, 2015.

(3) During the fourth quarter of 2015, the Company recorded an out-of-period adjustment to correct for an error identified in accounting for certain accrued operating expense reimbursement revenue totaling approximately $1.0 million , of which approximately $0.4 million , $0.3 million and $0.3 million related to three month periods ended March 31, 2015, June 30, 2015 and September 30, 2015, respectively. The Company concluded that this adjustment was not material to its financial position and results of operations for the current period or any of the prior periods, accordingly, the Company reversed the accrued operating expense reimbursement revenue of $1.0 million during the three month period ended December 31, 2015.

Note 16 — Subsequent Events

The Company has evaluated subsequent events through the filing of this Annual Report on Form 10-K, and determined that there have not been any events that have occurred that would require adjustments to, or disclosures in, the consolidated financial statements, except for as previously disclosed.

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

					Initial Costs		Costs Capitalized Subsequent to Acquisition			
Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Land	Building and Improvements	Land	Building and Improvements	Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
McDonalds Corporation	Carlisle	UK	Oct. 2012	$ 1,125	$ 475	$ 1,109	$ —	$ —	$ 1,584	$ 203
Wickes	Blackpool	UK	May 2013	2,882	1,999	2,147	—	—	4,146	275
Everything Everywhere	Merthyr Tydfil	UK	Jun. 2013	5,922	4,071	2,591	—	—	6,662	323
Thames Water	Swindon	UK	Jul. 2013	8,882	4,071	4,811	—	—	8,882	561
Wickes	Tunstall	UK	Jul. 2013	2,443	1,036	2,369	—	—	3,405	275
PPD Global Labs	Highland Heights	KY	Aug. 2013	—	2,001	6,002	—	—	8,003	758
Northern Rock	Sunderland	UK	Sep. 2013	7,772	1,480	5,181	—	—	6,661	583
Kulicke & Soffa	Fort Washington	PA	Sep. 2013	—	2,272	12,874	—	—	15,146	1,449
Wickes	Clifton	UK	Nov. 2013	2,813	1,480	2,073	—	—	3,553	216
Con-Way Freight, Inc.	Aurora	NE	Nov. 2013	—	295	1,670	—	—	1,965	212
Con-Way Freight, Inc.	Grand Rapids	MI	Nov. 2013	—	945	1,417	—	—	2,362	180
Con-Way Freight, Inc.	Riverton	IL	Nov. 2013	—	344	804	—	—	1,148	102
Con-Way Freight, Inc.	Salina	KS	Nov. 2013	—	461	1,843	—	—	2,304	234
Con-Way Freight, Inc.	Uhrichsville	OH	Nov. 2013	—	380	886	—	—	1,266	113
Con-Way Freight, Inc.	Vincennes	IN	Nov. 2013	—	220	712	—	—	932	88
Con-Way Freight, Inc.	Waite Park	MN	Nov. 2013	—	366	681	—	—	1,047	87
Wolverine	Howard City	MI	Dec. 2013	—	719	13,667	—	—	14,386	1,667
Western Digital	San Jose	CA	Dec. 2013	17,982	9,021	16,729	—	—	25,750	1,616
Encanto Restaurants	Baymon	PR	Dec. 2013	1,794	1,150	1,724	—	—	2,874	191
Encanto Restaurants	Caguas	PR	Dec. 2013	1,560	—	2,481	—	—	2,481	275
Encanto Restaurants	Carolina	PR	Dec. 2013	858	615	751	—	—	1,366	83
Encanto Restaurants	Carolina	PR	Dec. 2013	2,886	1,840	2,761	—	—	4,601	306
Encanto Restaurants	Guayama	PR	Dec. 2013	936	673	822	—	—	1,495	91
Encanto Restaurants	Mayaguez	PR	Dec. 2013	858	410	957	—	—	1,367	106
Encanto Restaurants	Ponce	PR	Dec. 2013	1,365	655	1,528	—	—	2,183	169
Encanto Restaurants	Ponce	PR	Dec. 2013	1,248	600	1,399	—	—	1,999	161
Encanto Restaurants	Puerto Neuvo	PR	Dec. 2013	507	—	782	—	—	782	87
Encanto Restaurants	Quebrada Arena	PR	Dec. 2013	1,505	844	1,565	—	—	2,409	174
Encanto Restaurants	Rio Piedras	PR	Dec. 2013	1,716	963	1,788	—	—	2,751	198
Encanto Restaurants	Rio Piedras	PR	Dec. 2013	1,053	505	1,179	—	—	1,684	131
Encanto Restaurants	San German	PR	Dec. 2013	702	391	726	—	—	1,117	83
Encanto Restaurants	San Juan	PR	Dec. 2013	975	389	1,168	—	—	1,557	129
Encanto Restaurants	San Juan	PR	Dec. 2013	1,716	1,235	1,509	—	—	2,744	167
Encanto Restaurants	San Juan	PR	Dec. 2013	483	153	612	—	—	765	68
Encanto Restaurants	Toa Baja	PR	Dec. 2013	429	68	616	—	—	684	71

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Initial Costs		Costs Capitalized Subsequent to Acquisition		Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
					Land	Building and Improvements	Land	Building and Improvements		
Encanto Restaurants	Vega Baja	PR	Dec. 2013	1,466	822	1,527	—	—	2,349	169
Rheinmetall	Neuss	GER	Jan. 2014	11,561	5,608	15,746	—	—	21,354	855
GE Aviation	Grand Rapids	MI	Jan. 2014	—	3,174	27,076	—	—	30,250	1,442
Provident Financial	Bradford	UK	Feb. 2014	18,875	1,493	27,702	—	—	29,195	1,353
Crown Crest	Leicester	UK	Feb. 2014	28,498	8,508	35,133	—	—	43,641	1,956
Trane	Davenport	IA	Feb. 2014	—	291	1,968	—	—	2,259	118
Aviva	Sheffield	UK	Mar. 2014	23,242	3,216	36,447	—	—	39,663	1,758
DFS Trading	Brigg	UK	Mar. 2014	3,136	1,503	4,261	—	—	5,764	224
DFS Trading	Carcroft	UK	Mar. 2014	1,737	343	2,462	—	—	2,805	136
DFS Trading	Carcroft	UK	Mar. 2014	3,741	1,263	5,003	—	—	6,266	243
DFS Trading	Darley Dale	UK	Mar. 2014	3,912	1,478	3,795	—	—	5,273	203
DFS Trading	Somercotes	UK	Mar. 2014	2,486	869	3,101	—	—	3,970	196
Government Services Administration	Fanklin	TN	Mar. 2014	—	4,160	30,083	—	—	34,243	1,400
National Oilwell Varco	Williston	ND	Mar. 2014	—	211	3,513	—	—	3,724	221
Talk Talk	Manchester	UK	Apr. 2014	5,662	868	10,323	—	—	11,191	501
Government Services Administration	Dover	DE	Apr. 2014	—	1,097	1,715	—	—	2,812	86
Government Services Administration	Germantown	PA	Apr. 2014	—	1,098	3,572	—	—	4,670	160
OBI DIY	Mayen	GER	Apr. 2014	4,908	1,222	7,295	—	—	8,517	371
DFS Trading	South Yorkshire	UK	Apr. 2014	1,328	—	1,548	—	—	1,548	104
DFS Trading	Yorkshire	UK	Apr. 2014	2,186	—	2,017	—	—	2,017	91
Government Services Administration	Dallas	TX	Apr. 2014	—	484	2,934	—	—	3,418	131
Government Services Administration	Mission	TX	Apr. 2014	—	618	3,145	—	—	3,763	148
Government Services Administration	International Falls	MN	May. 2014	—	350	11,182	—	—	11,532	511
Indiana Department of Revenue	Indianapolis	IN	May. 2014	—	891	7,677	—	—	8,568	361
National Oilwell Varco (5)	Pleasanton	TX	May. 2014	—	282	5,015	—	—	5,297	118
Nissan	Murfreesboro	TN	May. 2014	—	966	19,573	—	—	20,539	813
Government Services Administration	Lakewood	CO	Jun. 2014	—	1,220	7,928	—	—	9,148	330
Lippert Components	South Bend	IN	Jun. 2014	—	3,195	6,883	—	—	10,078	293
Axon Energy Products	Conroe	TX	Jun. 2014	—	826	6,132	—	—	6,958	247
Axon Energy Products	Houston	TX	Jun. 2014	—	416	5,186	—	—	5,602	226
Axon Energy Products	Houston	TX	Jun. 2014	—	294	2,310	—	—	2,604	104
Bell Supply Co	Carrizo Springs	TX	Jun. 2014	—	260	1,445	—	—	1,705	75
Bell Supply Co	Cleburne	TX	Jun. 2014	—	301	323	—	—	624	19
Bell Supply Co	Frierson	LA	Jun. 2014	—	260	1,054	—	—	1,314	75
Bell Supply Co	Gainesville	TX	Jun. 2014	—	131	1,420	—	—	1,551	62

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Initial Costs		Costs Capitalized Subsequent to Acquisition		Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
					Land	Building and Improvements	Land	Building and Improvements		
Bell Supply Co	Killdeer	ND	Jun. 2014	—	307	1,250	—	—	1,557	63
Bell Supply Co	Williston	ND	Jun. 2014	—	162	2,323	—	—	2,485	105
GE Oil & Gas	Canton	OH	Jun. 2014	—	437	3,039	—	—	3,476	137
GE Oil & Gas	Odessa	TX	Jun. 2014	—	1,611	3,322	—	—	4,933	270
Lhoist	Irving	TX	Jun. 2014	—	173	2,154	—	—	2,327	114
Select Energy Services	DeBerry	TX	Jun. 2014	—	533	7,551	—	—	8,084	522
Select Energy Services	Gainesville	TX	Jun. 2014	—	519	7,482	—	—	8,001	307
Select Energy Services	Victoria	TX	Jun. 2014	—	354	1,698	—	—	2,052	91
Bell Supply Co	Jacksboro	TX	Jun. 2014	—	51	657	—	—	708	45
Bell Supply Co	Kenedy	TX	Jun. 2014	—	190	1,669	—	—	1,859	90
Select Energy Services	Alice	TX	Jun. 2014	—	518	1,331	—	—	1,849	62
Select Energy Services	Dilley	TX	Jun. 2014	—	429	1,777	—	—	2,206	97
Select Energy Services	Kenedy	TX	Jun. 2014	—	815	8,355	—	—	9,170	392
Select Energy Services	Laredo	TX	Jun. 2014	—	2,472	944	—	—	3,416	66
Superior Energy Services	Gainesville	TX	Jun. 2014	—	322	480	—	—	802	20
Superior Energy Services	Jacksboro	TX	Jun. 2014	—	408	312	—	—	720	18
Amcor Packaging	Workington	UK	Jun. 2014	4,628	1,289	7,597	—	—	8,886	368
Government Services Administration	Raton	NM	Jun. 2014	—	93	875	—	—	968	39
Nimble Storage	San Jose	CA	Jun. 2014	—	30,227	10,708	—	180	41,115	425
FedEx	Amarillo	TX	Jul. 2014	—	889	6,421	—	—	7,310	312
FedEx	Chicopee	MA	Jul. 2014	—	1,030	7,022	—	—	8,052	358
FedEx	San Antonio	TX	Jul. 2014	—	3,283	17,729	—	—	21,012	718
Sandoz	Princeton	NJ	Jul. 2014	—	7,766	31,994	—	11,558	51,318	2,223
Wyndham	Branson	MO	Jul. 2014	—	881	3,307	—	—	4,188	142
Valassis	Livonia	MI	Jul. 2014	—	1,735	8,119	—	—	9,854	319
Government Services Administration	Fort Fairfield	ME	Jul. 2014	—	26	9,315	—	—	9,341	337
AT&T Services, Inc.	San Antonio	TX	Jul. 2014	33,550	5,312	41,201	—	—	46,513	1,474
PNC Bank	Erie	PA	Jul. 2014	—	242	6,195	—	—	6,437	226
PNC Bank	Scranton	PA	Jul. 2014	—	1,325	3,003	—	—	4,328	113
Achmea	Leusden	NETH	Jul. 2014	—	2,777	21,638	—	—	24,415	778

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

					Initial Costs		Costs Capitalized Subsequent to Acquisition			
Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Land	Building and Improvements	Land	Building and Improvements	Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
Continental Tire	Fort Mill	SC	Jul. 2014	—	780	14,259	—	—	15,039	520
Fujitsu Office Properties	Manchester	UK	Jul. 2014	36,684	4,181	45,253	—	—	49,434	1,675
BP Oil	Wootton Bassett	UK	Aug. 2014	2,159	678	2,931	—	—	3,609	115
HBOS	Derby	UK	Aug. 2014	4,293	680	6,854	—	—	7,534	279
HBOS	St. Helens	UK	Aug. 2014	2,193	258	3,884	—	—	4,142	159
HBOS	Warrington	UK	Aug. 2014	1,493	492	2,320	—	—	2,812	102
Malthurst	Shiptonthorpe	UK	Aug. 2014	1,439	312	2,218	—	—	2,530	96
Malthurst	Yorkshire	UK	Aug. 2014	1,139	553	1,452	—	—	2,005	82
Stanley Black & Decker	Westerville	OH	Aug. 2014	—	958	6,933	—	—	7,891	262
Thermo Fisher	Kalamazoo	MI	Aug. 2014	—	1,176	10,179	—	—	11,355	365
Capgemini	Birmingham	UK	Aug. 2014	8,142	1,843	17,470	—	—	19,313	649
Merck	Madison	NJ	Aug. 2014	—	10,290	32,530	—	1	42,821	1,106
Family Dollar	Abbeville	AL	Aug. 2014	—	115	635	—	—	750	28
Family Dollar	Aiken	SC	Aug. 2014	—	439	505	—	—	944	24
Family Dollar	Alapaha	GA	Aug. 2014	—	200	492	—	—	692	24
Family Dollar	Anniston	AL	Aug. 2014	—	176	618	—	—	794	26
Family Dollar	Atlanta	GA	Aug. 2014	—	234	1,181	—	—	1,415	45
Family Dollar	Bossier City	LA	Aug. 2014	—	291	520	—	—	811	22
Family Dollar	Brandenburg	KY	Aug. 2014	—	178	748	—	—	926	31
Family Dollar	Brownfield	TX	Aug. 2014	—	31	664	—	—	695	25
Family Dollar	Brownsville	TX	Aug. 2014	—	83	803	—	—	886	31
Family Dollar	Caledonia	MS	Aug. 2014	—	415	162	—	—	577	12
Family Dollar	Camden	SC	Aug. 2014	—	187	608	—	—	795	27
Family Dollar	Camp Wood	TX	Aug. 2014	—	96	593	—	—	689	26
Family Dollar	Church Point	LA	Aug. 2014	—	247	563	—	—	810	24
Family Dollar	Columbia	SC	Aug. 2014	—	363	487	—	—	850	24
Family Dollar	Columbus	MS	Aug. 2014	—	305	85	—	—	390	6
Family Dollar	Danville	VA	Aug. 2014	—	124	660	—	—	784	26
Family Dollar	Detroit	MI	Aug. 2014	—	107	711	—	—	818	25
Family Dollar	Diamond Head	MS	Aug. 2014	—	104	834	—	—	938	32
Family Dollar	Eatonville	FL	Aug. 2014	—	332	584	—	—	916	30
Family Dollar	Falfurrias	TX	Aug. 2014	—	52	745	—	—	797	26
Family Dollar	Fayetteville	NC	Aug. 2014	—	100	437	—	—	537	16
Family Dollar	Fort Davis	TX	Aug. 2014	—	114	698	—	—	812	31
Family Dollar	Fort Madison	IA	Aug. 2014	—	188	226	—	—	414	11

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

					Initial Costs		Costs Capitalized Subsequent to Acquisition			
Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Land	Building and Improvements	Land	Building and Improvements	Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
Family Dollar	Greenwood	SC	Aug. 2014	—	629	546	—	—	1,175	22
Family Dollar	Grenada	MS	Aug. 2014	—	346	335	—	—	681	18
Family Dollar	Griffin	GA	Aug. 2014	—	369	715	—	—	1,084	31
Family Dollar	Hallsville	TX	Aug. 2014	—	96	225	—	—	321	8
Family Dollar	Hardeeville	SC	Aug. 2014	—	83	663	—	—	746	28
Family Dollar	Hastings	NE	Aug. 2014	—	260	515	—	—	775	20
Family Dollar	Haw River	NC	Aug. 2014	—	310	554	—	—	864	30
Family Dollar	Jacksonville	FL	Aug. 2014	—	369	544	—	—	913	24
Family Dollar	Kansas City	MO	Aug. 2014	—	52	986	—	—	1,038	33
Family Dollar	Knoxville	TN	Aug. 2014	—	82	714	—	—	796	29
Family Dollar	La Feria	TX	Aug. 2014	—	124	956	—	—	1,080	35
Family Dollar	Lancaster	SC	Aug. 2014	—	229	721	—	—	950	33
Family Dollar	Lillian	AL	Aug. 2014	—	410	508	—	—	918	22
Family Dollar	Louisville	KY	Aug. 2014	—	511	503	—	—	1,014	23
Family Dollar	Louisville	MS	Aug. 2014	—	235	410	—	—	645	20
Family Dollar	Madisonville	KY	Aug. 2014	—	389	576	—	—	965	25
Family Dollar	Memphis	TN	Aug. 2014	—	356	507	—	—	863	23
Family Dollar	Memphis	TN	Aug. 2014	—	79	342	—	—	421	16
Family Dollar	Memphis	TN	Aug. 2014	—	158	301	—	—	459	15
Family Dollar	Mendenhall	MS	Aug. 2014	—	61	720	—	—	781	28
Family Dollar	Mobile	AL	Aug. 2014	—	258	682	—	—	940	27
Family Dollar	Mohave Valley	AZ	Aug. 2014	—	284	575	—	—	859	30
Family Dollar	N Platte	NE	Aug. 2014	—	117	255	—	—	372	9
Family Dollar	Nampa	ID	Aug. 2014	—	133	1,126	—	—	1,259	43
Family Dollar	Newberry	MI	Aug. 2014	—	172	1,562	—	—	1,734	59
Family Dollar	North Charleston	SC	Aug. 2014	—	376	588	—	—	964	26
Family Dollar	North Charleston	SC	Aug. 2014	—	458	593	—	—	1,051	28
Family Dollar	Oklahoma City	OK	Aug. 2014	—	144	1,211	—	—	1,355	41
Family Dollar	Orlando	FL	Aug. 2014	—	668	567	—	—	1,235	26
Family Dollar	Orlando	FL	Aug. 2014	—	501	769	—	—	1,270	41
Family Dollar	Paulden	AZ	Aug. 2014	—	468	306	—	—	774	19
Family Dollar	Pensacola	FL	Aug. 2014	—	123	541	—	—	664	23
Family Dollar	Poteet	TX	Aug. 2014	—	141	169	—	—	310	11
Family Dollar	Rockford	IL	Aug. 2014	—	183	1,179	—	—	1,362	43
Family Dollar	Roebuck	SC	Aug. 2014	—	306	508	—	—	814	27

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

					Initial Costs		Costs Capitalized Subsequent to Acquisition			
Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Land	Building and Improvements	Land	Building and Improvements	Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
Family Dollar	San Angelo	TX	Aug. 2014	—	96	342	—	—	438	15
Family Dollar	St Louis	MO	Aug. 2014	—	226	1,325	—	—	1,551	48
Family Dollar	Tyler	TX	Aug. 2014	—	217	682	—	—	899	25
Family Dollar	Union	MS	Aug. 2014	—	52	622	—	—	674	25
Family Dollar	Williamston	SC	Aug. 2014	—	211	558	—	—	769	25
Family Dollar	Winter Haven	FL	Aug. 2014	—	486	437	—	—	923	24
Family Dollar	Winter Haven	FL	Aug. 2014	—	210	527	—	—	737	29
Government Services Administration	Rangeley	ME	Aug. 2014	—	1,377	4,746	—	262	6,385	166
Garden Ridge	Louisville	KY	Sep. 2014	—	3,994	4,865	—	—	8,859	172
Garden Ridge	Lubbock	TX	Sep. 2014	—	1,574	5,950	—	—	7,524	237
Garden Ridge	Mesa	AZ	Sep. 2014	—	2,727	4,867	—	—	7,594	189
Garden Ridge	Raleigh	NC	Sep. 2014	—	2,362	4,267	—	—	6,629	168
Hewlett-Packard	Newcastle	UK	Sep. 2014	13,748	1,273	21,193	—	—	22,466	703
Intier Automotive	Redditch	UK	Sep. 2014	6,995	1,314	10,407	—	—	11,721	384
Waste Management	Winston-Salem	NC	Sep. 2014	—	494	3,235	—	—	3,729	110
FedEx	Winona	MN	Sep. 2014	—	83	1,785	—	—	1,868	69
Winston Hotel	Amsterdam	NETH	Sep. 2014	—	7,657	4,049	—	—	11,706	127
Dollar General	Allen	OK	Sep. 2014	—	99	793	—	—	892	28
Dollar General	Allentown	PA	Sep. 2014	—	347	887	—	—	1,234	41
Dollar General	Caledonia	OH	Sep. 2014	—	110	861	—	—	971	30
Dollar General	Cherokee	KS	Sep. 2014	—	27	769	—	—	796	28
Dollar General	Choctaw	OK	Sep. 2014	—	247	859	—	—	1,106	30
Dollar General	Clearwater	KS	Sep. 2014	—	90	785	—	—	875	28
Dollar General	Dexter	NM	Sep. 2014	—	329	585	—	—	914	21
Dollar General	Elmore City	OK	Sep. 2014	—	21	742	—	—	763	27
Dollar General	Erie	PA	Sep. 2014	—	410	682	—	—	1,092	27
Dollar General	Eunice	NM	Sep. 2014	—	269	569	—	—	838	21
Dollar General	Gore	OK	Sep. 2014	—	143	813	—	—	956	29
Dollar General	Gratiot	OH	Sep. 2014	—	239	809	—	—	1,048	29
Dollar General	Greensburg	PA	Sep. 2014	—	97	970	—	—	1,067	36
Dollar General	Heavener	OK	Sep. 2014	—	99	998	—	—	1,097	35
Dollar General	Kingston	OK	Sep. 2014	—	81	778	—	—	859	28
Dollar General	Lordsburg	NM	Sep. 2014	—	212	719	—	—	931	26
Dollar General	Lyons	KS	Sep. 2014	—	120	970	—	—	1,090	34
Dollar General	Mansfield	LA	Sep. 2014	—	169	812	—	—	981	29

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

					Initial Costs		Costs Capitalized Subsequent to Acquisition			
Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Land	Building and Improvements	Land	Building and Improvements	Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
Dollar General	McKean	PA	Sep. 2014	—	107	1,014	—	—	1,121	37
Dollar General	Muskogee	OK	Sep. 2014	—	154	771	—	—	925	28
Dollar General	Neligh	NE	Sep. 2014	—	83	1,045	—	—	1,128	36
Dollar General	New Florence	PA	Sep. 2014	—	70	940	—	—	1,010	35
Dollar General	New Paris	OH	Sep. 2014	—	411	488	—	—	899	25
Dollar General	Norman	OK	Sep. 2014	—	40	913	—	—	953	32
Dollar General	Painesville	OH	Sep. 2014	—	340	797	—	—	1,137	28
Dollar General	Painesville	OH	Sep. 2014	—	300	715	—	—	1,015	26
Dollar General	Peggs	OK	Sep. 2014	—	72	879	—	—	951	31
Dollar General	Santa Rosa	NM	Sep. 2014	—	324	575	—	—	899	21
Dollar General	Sapulpa	OK	Sep. 2014	—	143	745	—	—	888	27
Dollar General	Schuyler	NE	Sep. 2014	—	144	905	—	—	1,049	32
Dollar General	Spencerville	OH	Sep. 2014	—	213	928	—	—	1,141	32
Dollar General	Tahlequah	OK	Sep. 2014	—	132	925	—	—	1,057	33
Dollar General	Talihina	OK	Sep. 2014	—	163	1,023	—	—	1,186	37
Dollar General	Townville	PA	Sep. 2014	—	78	882	—	—	960	33
Dollar General	Uniontown	PA	Sep. 2014	—	165	1,107	—	—	1,272	40
Dollar General	Valley Falls	KS	Sep. 2014	—	51	922	—	—	973	32
Dollar General	Valliant	OK	Sep. 2014	—	183	1,004	—	—	1,187	36
Dollar General	Wymore	NE	Sep. 2014	—	21	872	—	—	893	31
Dollar General	Wynnewood	OK	Sep. 2014	—	188	1,057	—	—	1,245	38
FedEx	Bohemia	NY	Sep. 2014	—	4,838	19,596	—	—	24,434	706
FedEx	Watertown	NY	Sep. 2014	—	561	4,757	—	—	5,318	181
Shaw Aero	Naples	FL	Sep. 2014	—	998	22,332	—	—	23,330	726
Mallinckrodt	St. Louis	MO	Sep. 2014	—	1,499	16,828	—	—	18,327	553
Kuka Warehouse	Sterling Heights	MI	Sep. 2014	—	1,227	10,790	—	—	12,017	354
Trinity Health	Livonia	MI	Sep. 2014	—	8,953	28,141	—	323	37,417	1,065
FedEx	Hebron	KY	Sep. 2014	—	1,106	7,750	—	—	8,856	269
FedEx	Lexington	KY	Sep. 2014	—	1,118	7,961	—	—	9,079	273
GE Aviation	Cincinnati	OH	Sep. 2014	—	1,393	10,490	—	—	11,883	345
Bradford & Bingley	Bingley	UK	Oct. 2014	11,192	4,937	12,396	—	—	17,333	441
DNV GL	Dublin	OH	Oct. 2014	—	2,509	3,140	—	—	5,649	108
Rexam	Reckinghausen	GER	Oct. 2014	5,737	769	10,825	—	—	11,594	336
C&J Energy	Houston	TX	Oct. 2014	—	3,865	9,457	—	—	13,322	310
FedEx	Lake Charles	LA	Oct. 2014	—	255	7,485	—	—	7,740	274

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

					Initial Costs		Costs Capitalized Subsequent to Acquisition			
Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Land	Building and Improvements	Land	Building and Improvements	Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
Family Dollar	Big Sandy	TN	Oct. 2014	—	62	739	—	—	801	26
Family Dollar	Boling	TX	Oct. 2014	—	80	781	—	—	861	26
Family Dollar	Bonifay	FL	Oct. 2014	—	103	673	—	—	776	29
Family Dollar	Brindidge	AL	Oct. 2014	—	89	749	—	—	838	33
Family Dollar	Brownsville	TN	Oct. 2014	—	155	776	—	—	931	30
Family Dollar	Buena Vista	GA	Oct. 2014	—	246	757	—	—	1,003	40
Family Dollar	Calvert	TX	Oct. 2014	—	91	777	—	—	868	27
Family Dollar	Chocowinty	NC	Oct. 2014	—	237	554	—	—	791	21
Family Dollar	Clarksville	TN	Oct. 2014	—	370	1,025	—	—	1,395	42
Family Dollar	Fort Mill	SC	Oct. 2014	—	556	757	—	—	1,313	28
Family Dollar	Hillsboro	TX	Oct. 2014	—	287	634	—	—	921	23
Family Dollar	Lake Charles	LA	Oct. 2014	—	295	737	—	—	1,032	26
Family Dollar	Lakeland	FL	Oct. 2014	—	300	812	—	—	1,112	28
Family Dollar	Lansing	MI	Oct. 2014	—	132	1,040	—	—	1,172	42
Family Dollar	Laurens	SC	Oct. 2014	—	303	584	—	—	887	27
Family Dollar	Marion	MS	Oct. 2014	—	183	747	—	—	930	27
Family Dollar	Marsing	ID	Oct. 2014	—	188	786	—	—	974	35
Family Dollar	Montgomery	AL	Oct. 2014	—	122	821	—	—	943	37
Family Dollar	Montgomery	AL	Oct. 2014	—	411	646	—	—	1,057	32
Family Dollar	Monticello	FL	Oct. 2014	—	230	695	—	—	925	27
Family Dollar	Monticello	UT	Oct. 2014	—	96	894	—	—	990	41
Family Dollar	North Little Rock	AR	Oct. 2014	—	424	649	—	—	1,073	28
Family Dollar	Oakdale	LA	Oct. 2014	—	243	696	—	—	939	25
Family Dollar	Orlando	FL	Oct. 2014	—	684	619	—	—	1,303	25
Family Dollar	Port St. Lucie	FL	Oct. 2014	—	403	907	—	—	1,310	33
Family Dollar	Prattville	AL	Oct. 2014	—	463	749	—	—	1,212	38
Family Dollar	Prichard	AL	Oct. 2014	—	241	803	—	—	1,044	28
Family Dollar	Quinlan	TX	Oct. 2014	—	74	774	—	—	848	27
Family Dollar	Rigeland	MS	Oct. 2014	—	447	891	—	—	1,338	30
Family Dollar	Rising Star	TX	Oct. 2014	—	63	674	—	—	737	23
Family Dollar	Southaven	MS	Oct. 2014	—	409	1,080	—	—	1,489	40
Family Dollar	Spout Springs	NC	Oct. 2014	—	474	676	—	—	1,150	25
Family Dollar	St. Petersburg	FL	Oct. 2014	—	482	851	—	—	1,333	31
Family Dollar	Swansboro	NC	Oct. 2014	—	337	826	—	—	1,163	39
Panasonic	Hudson	NJ	Oct. 2014	—	1,312	7,075	—	—	8,387	218

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

					Initial Costs		Costs Capitalized Subsequent to Acquisition			
Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Land	Building and Improvements	Land	Building and Improvements	Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
Onguard	Havre De Grace	MD	Oct. 2014	—	2,216	6,585	—	—	8,801	289
Axon Energy Products	Houston	TX	Oct. 2014	—	297	2,432	—	—	2,729	74
Metro Tonic	Halle Peissen	GER	Oct. 2014	28,903	6,628	46,436	—	—	53,064	1,595
Tokmanni	Matsala	FIN	Nov. 2014	31,603	1,718	51,984	—	—	53,702	1,684
Fife Council	Dunfermline	UK	Nov. 2014	2,715	390	5,029	—	—	5,419	158
Family Dollar	Doerun	GA	Nov. 2014	—	236	717	—	—	953	26
Family Dollar	Old Hickory	TN	Nov. 2014	—	548	781	—	—	1,329	30
Government Services Administration	Rapid City	SD	Nov. 2014	—	504	7,837	—	—	8,341	247
KPN BV	Houten	NETH	Nov. 2014	—	1,538	18,812	—	—	20,350	557
RWE AG	Essen	GER	Nov. 2014	23,537	4,783	34,017	—	—	38,800	936
RWE AG	Essen	GER	Nov. 2014	28,508	11,712	41,179	—	—	52,891	1,137
RWE AG	Essen	GER	Nov. 2014	16,124	1,852	23,658	—	—	25,510	654
Follett School	McHenry	IL	Dec. 2014	—	3,423	15,600	—	—	19,023	540
Quest Diagnostics, Inc.	Santa Clarita	CA	Dec. 2014	52,800	10,714	69,018	—	—	79,732	1,902
Family Dollar	Tampa	FL	Dec. 2014	—	466	820	—	—	1,286	28
Diebold	North Canton	OH	Dec. 2014	—	—	9,142	—	—	9,142	283
Dollar General	Chickasha	OK	Dec. 2014	—	248	1,293	—	—	1,541	36
Weatherford International	Odessa	TX	Dec. 2014	—	665	1,795	—	—	2,460	80
AM Castle	Wichita	KS	Dec. 2014	—	426	6,681	—	—	7,107	169
FedEx	Billerica	MA	Dec. 2014	—	1,138	6,674	—	—	7,812	208
Constellium Auto	Wayne	MI	Dec. 2014	—	1,180	13,781	—	7,875	22,836	904
C&J Energy II	Houston	TX	Mar. 2015	—	6,196	21,745	—	—	27,941	472
Fedex VII	Salina	UT	Mar. 2015	—	428	3,334	—	—	3,762	101
Fedex VIII	Pierre	SD	Apr. 2015	—	—	3,288	—	—	3,288	89
Fresenius	Sumter	SC	May 2015	—	243	3,269	—	—	3,512	62
Fresenius	Hephzibah	GA	Jul. 2015	—	234	2,235	—	—	2,469	33
Crown Group	Jonesville	MI	Aug. 2015	—	101	3,136	—	—	3,237	37
Crown Group	Fraser	MI	Aug. 2015	—	350	3,865	—	—	4,215	45
Crown Group	Warren	MI	Aug. 2015	—	297	3,325	—	—	3,622	39
Crown Group	Marion	SC	Aug. 2015	—	386	7,993	—	—	8,379	79
Crown Group	Logansport	IN	Aug. 2015	—	1,843	5,430	—	—	7,273	59
Crown Group	Madison	IN	Aug. 2015	—	1,598	7,513	—	—	9,111	69
Mapes & Sprowl Steel, Ltd.	Elk Grove	IL	Sep. 2015	—	954	4,619	—	—	5,573	42
JIT Steel Services	Chattanooga	TN	Sep. 2015	—	316	1,986	—	—	2,302	17
JIT Steel Services	Chattanooga	TN	Sep. 2015	—	582	3,122	—	—	3,704	28

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

Portfolio	City	U.S. State or Country	Acquisition Date	Encumbrances at December 31, 2015	Initial Costs		Costs Capitalized Subsequent to Acquisition		Gross Amount at December 31, 2015 (1)(2)	Accumulated Depreciation (3)(4)
					Land	Building and Improvements	Land	Building and Improvements		
Beacon Health System, Inc.	South Bend	IN	Sep. 2015	—	1,636	8,190	—	—	9,826	58
Hannibal/Lex JV LLC	Houston	TX	Sep. 2015	—	2,090	11,138	—	—	13,228	73
FedEx Ground	Mankato	MN	Sep. 2015	—	472	6,780	—	—	7,252	57
Office Depot	Venlo	NETH	Sep. 2015	—	3,401	15,043	—	—	18,444	114
Finnair	Helsinki	FIN	Sep. 2015	30,976	2,455	69,941	—	—	72,396	475
Total				$ 531,708	$ 341,911	$ 1,665,900	$ —	$ 20,199	$ 2,028,010	$ 68,078

(1) Acquired intangible lease assets allocated to individual properties in the amount of $518.3 million are not reflected in the table above.

(2) The tax basis of aggregate land, buildings and improvements as of December 31, 2015 is $2.6 billion .

(3) The accumulated depreciation column excludes approximately $65.3 million of amortization associated with acquired intangible lease assets.

(4) Each of the properties has a depreciable life of: 40 years for buildings, 15 years for improvements and five years for fixtures.

(5) The Company has expanded the property in September 2015 by purchasing additional land of $0.1 million , building and improvements of $3.4 million and an accumulated depreciation of $25,000 as of December 31, 2015 .

Global Net Lease, Inc.

Real Estate and Accumulated Depreciation
Schedule III
December 31, 2015
(dollar amounts in thousands)

A summary of activity for real estate and accumulated depreciation for the years ended December 31, 2015 , 2014 and 2013 :

	December 31,		
	2015	2014	2013
Real estate investments, at cost:			
Balance at beginning of year	$ 1,855,960	$ 149,009	$ 1,729
Additions-Acquisitions	226,412	1,748,944	147,245
Asset remeasurement	2,318	(675)	—
Currency translation adjustment	(56,680)	(41,318)	35
Balance at end of the year	$ 2,028,010	$ 1,855,960	$ 149,009
Accumulated depreciation and amortization:			
Balance at beginning of year	$ 21,319	$ 869	$ 12
Depreciation expense	47,649	20,856	837
Currency translation adjustment	(890)	(406)	20
Balance at end of the year	$ 68,078	$ 21,319	$ 869

Exhibit 10.35

FOURTH AMENDMENT TO CREDIT AGREEMENT

FOURTH AMENDMENT TO CREDIT AGREEMENT (this " Agreement ") dated as of July 29, 2014, among AMERICAN REALTY CAPITAL GLOBAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (" Borrower "), AMERICAN REALTY CAPITAL GLOBAL TRUST, INC., a Maryland corporation (" Parent "), ARC GLOBAL HOLDCO, LLC, a Delaware limited liability company (" International Holdco "), the SUBSIDIARY GUARANTORS party hereto (the " Subsidiary Guarantors "; Parent, International Holdco and each of the Subsidiary Guarantors, individually, a " Guarantor Party " and, collectively, the " Guarantor Parties "), the LENDERS party hereto, and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (together with its successors and assigns in such capacity, the " Administrative Agent ").

RECITALS:

A. Borrower, the Administrative Agent and certain lenders (together with their respective successors and assigns, the " Lenders ") are parties to that certain Credit Agreement dated as of July 25, 2013, as amended by that certain First Amendment to Credit Agreement dated as of November 22, 2013, that certain letter agreement regarding updated schedules dated as of November 22, 2013, that certain letter agreement regarding updated schedules dated as of December 20, 2013, that certain letter agreement regarding updated schedules dated as of January 15, 2014, that certain Omnibus Amendment to Loan Documents dated as of March 26, 2014, that certain letter agreement regarding updated schedules dated as of April 17, 2014, that certain Third Amendment to Credit Agreement dated as of June 24, 2014, and that certain letter agreement regarding updated schedules dated as of June 24, 2014 (as so amended, the " Credit Agreement "; and except as otherwise herein expressly provided, each initially capitalized term used herein has the meaning assigned to such term in the Credit Agreement, as amended by this Agreement).

B. Pursuant to Section 2.21 of the Credit Agreement, Borrower has requested, among other things, an increase in the Commitments by $85,000,000, and Capital One, National Association and Sumitomo Mitsui Banking Corporation (each an " Electing Lender " and collectively, the " Electing Lenders ") have agreed to provide such increase.

C. The parties hereto desire to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendment of Credit Agreement . Effective as of the Effective Date (defined below), the Credit Agreement is hereby amended as follows:

(a) The definition of "Alternate Base Rate" set forth in Section 1.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"" ***Alternate Base Rate*** " means, for any day, a rate *per annum* equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate at approximately 11:00 a.m. London time on such day; provided that, if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement and provided, further, if the LIBO Screen Rate shall not be available at such time for such Interest Period then the LIBO Rate shall be the Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively."

(b) The last sentence of the definition of "Commitment" set forth in Section 1.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"As of July 29, 2014, the aggregate amount of the Lenders' Commitments is $415,000,000."

(c) The following definition of "Impacted Interest Period" is hereby added to Section 1.01 of the Credit Agreement:

"" ***Impacted Interest Period*** " means any Interest Period for which the LIBO Screen Rate is not available."

(d) The following definition of "Interpolated Rate" is hereby added to Section 1.01 of the Credit Agreement:

"" ***Interpolated Rate*** " means, at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available for the applicable currency) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which that LIBO Screen Rate is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time."

(e) The definition of "LIBO Rate" set forth in Section 1.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"" ***LIBO Rate*** " means, with respect to any Eurocurrency Borrowing for any applicable currency and for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for the relevant currency for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case the " ***LIBO Screen Rate*** ") at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the LIBO Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided further that if the Screen Rate shall not be available at such time for such Interest Period with respect to the applicable currency then the LIBO Rate shall be the Interpolated Rate; provided that if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement."

(f) The last sentence of Section 2.02(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten (10) Eurocurrency Borrowings outstanding."

(g) Schedule 2.01 of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule 2.01 attached hereto.

Section 2. Commitments . Capital One, National Association and Sumitomo Mitsui Banking Corporation each agrees that, as of the Effective Date, it shall be a Lender for all purposes under the Loan Documents and each agrees to be bound by all of its obligations thereunder. Each Electing Lender agrees that its respective Commitment shall be equal to the amount set forth on Schedule 2.01 attached hereto.

Section 3. Effective Date. The "Effective Date" shall be the date on which all of the following have been satisfied:

(a) the Administrative Agent shall have received signed counterparts of this Agreement from the Required Lenders (after giving effect to the increase in the Commitments contemplated by this Agreement);

(b) the Administrative Agent shall have received the Electing Lenders', Borrower's, Parent's, International Holdco's and the Subsidiary Guarantors' signed counterparts of this Agreement;

(c) each Electing Lender shall have received a Note executed by Borrower in the principal amount equal to such Electing Lender's Commitment as set forth on Schedule 2.01 attached hereto; and

(d) the Administrative Agent shall have been paid all reasonable out-of-pocket expenses, including reasonable legal fees for the Administrative Agent's outside counsel, due to it pursuant to the transaction contemplated herein and all reasonable outstanding out-of-pocket fees and expenses, if any, that have been invoiced to Borrower to date.

Section 4. Borrower's Representations. Borrower hereby represents and warrants to the Administrative Agent and the Lenders, as follows:

(a) each of the representations and warranties of Borrower contained or incorporated in the Credit Agreement, as amended by this Agreement, or any of the other Loan Documents to which it is a party, are true and correct in all material respects on and as of the date hereof (except if any such representation or warranty is expressly stated to have been made as of a specific date, then as of such specific date);

(b) as of the date hereof and immediately after giving effect to this Agreement, no Default and no Event of Default has occurred and is continuing;

(c) Borrower has all necessary limited partnership power and authority to execute, deliver and perform its obligations under this Agreement; Borrower has been duly authorized by all necessary limited partnership action on its part; and this Agreement has been duly and validly executed and delivered by Borrower and constitutes Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and

(d) Borrower's execution and delivery of this Agreement (i) does not require any consent or approval of, registration or filing with, or any other action by, any governmental authority, except for such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Borrower or any order of any governmental authority and (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon Borrower or any of its assets.

Section 5. Guarantor Parties' Representations. Each Guarantor Party hereby represents and warrants to the Administrative Agent and the Lenders, as follows:

(a) each of the representations and warranties of such Guarantor Party contained or incorporated in the Guaranty or any of the other Loan Documents to which it is a party, are true and correct in all material respects on and as of the date hereof (except if any such representation or warranty is expressly stated to have been made as of a specific date, then as of such specific date);

(b) as of the date hereof and immediately after giving effect to this Agreement, such Guarantor Party is in compliance with its obligations under the Guaranty and each of the other Loan Documents to which it is a party;

(c) such Guarantor Party has all necessary corporate or limited liability company, as applicable, power and authority to execute, deliver and perform its obligations under this Agreement; such Guarantor Party has been duly authorized by all necessary corporate or limited liability company, as applicable, action on its part; and this Agreement has been duly and validly executed and delivered by such Guarantor Party and constitutes such Guarantor Party's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and

(d) such Guarantor Party's execution and delivery of this Agreement (i) does not require any consent or approval of, registration or filing with, or any other action by, any governmental authority, except for such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of such Guarantor Party or any order of any governmental authority and (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon such Guarantor Party or any of its assets.

Section 6. Ratification.

(a) Borrower hereby (i) reaffirms, ratifies, confirms, and acknowledges its obligations under the Credit Agreement (as amended hereby) and the other Loan Documents to which it is a party and agrees to continue to be bound thereby and perform thereunder and (ii) agrees and acknowledges that the Credit Agreement (as amended hereby) and the other Loan Documents and all of Borrower's obligations thereunder are and remain in full force and effect and, except as expressly provided herein, have not been affected, modified or amended.

(b) Each Guarantor Party hereby (i) reaffirms, ratifies, confirms, and acknowledges its obligations under the Guaranty and the other Loan Documents to which it is a party and agrees to continue to be bound thereby and perform thereunder and (ii) agrees and acknowledges that the Guaranty and the other Loan Documents and all of its obligations thereunder are and remain in full force and effect and, except as expressly provided herein, have not been affected, modified or amended.

Section 7. Miscellaneous.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) Amendments, Etc. The terms of this Agreement may be waived, modified and amended only by an instrument in writing duly executed by the party hereto against whom enforcement of such waiver, modification or amendment is sought (provided that, subject to the terms of the Credit Agreement, the Administrative Agent may execute any such waiver, modification or amendment on behalf of the Lenders). Any such waiver, modification or amendment shall be binding upon Borrower, the Guarantors, the Electing Lenders, the Administrative Agent and the Lenders.

(c) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of Borrower, the Guarantor Parties, the Electing Lenders, the Administrative Agent and the Lenders.

(d) Captions. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

(e) Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of this Agreement by facsimile or email transmission shall be effective as manual delivery of an executed counterpart hereof.

(f) Severability. Any provision hereof which is held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWER:

AMERICAN REALTY CAPITAL GLOBAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

PARENT:

AMERICAN REALTY CAPITAL GLOBAL TRUST, INC., a Maryland corporation

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

INTERNATIONAL HOLDCO:

ARC GLOBAL HOLDCO, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

SUBSIDIARY GUARANTORS :

ARC KSFTWPA001, LLC, a Delaware limited liability company

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC PPHHTKY001, LLC, a Delaware limited liability company

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWARANE001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWGRDMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWRVTIL001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC CWSALKS001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWUVLOH001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWVININ001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWWPKMN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC WWHWCMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GEGRDMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSFRNTN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC TFDPTIA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC NOWILND001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSDVRDE001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSGTNPA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSMSSTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC GSDALTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSIFLMN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC NOPLNTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC NNMFBTN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ADMINISTRATIVE AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Rita Lai
Name: Rita Lai
Title: Senior Credit Banker

LENDERS:

JPMORGAN CHASE BANK, N.A.

By: /s/ Rita Lai
Name: Rita Lai
Title: Senior Credit Banker

[signatures continue on following pages]

REGIONS BANK

By: /s/ Michael R. Mellott
Name: Michael R. Mellott
Title: Director

[signatures continue on following pages]

RBS CITIZENS N.A.

By: /s/ Donald W. Woods

Name: Donald W. Woods

Title: Senior Vice President

[signatures continue on following pages]

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ William G. Karl

Name: William G. Karl

Title: Executive Officer

[signatures continue on following pages]

CAPITAL ONE, NATIONAL ASSOCIATION

By: /s/ Frederick H. Denecke
Name: Frederick H. Denecke
Title: Senior Vice President

[signatures continue on following page]

COMERICA BANK

By: /s/ Charles Weddell
Name: Charles Weddell
Title: Vice President

[end of signatures]

SCHEDULE 2.01 – COMMITMENTS

Lender	Commitment
JPMorgan Chase Bank, N.A.	$ 100,000,000
Regions Bank	$ 100,000,000
RBS Citizens N.A.	$ 100,000,000
Sumitomo Mitsui Banking Corporation	$ 50,000,000
Capital One, National Association	$ 35,000,000
Comerica Bank	$ 30,000,000
Total Commitments	**$ 415,000,000**

Exhibit 10.36

Execution Version

FIFTH AMENDMENT TO CREDIT AGREEMENT

FIFTH AMENDMENT TO CREDIT AGREEMENT (this " Agreement ") dated as of October 16, 2014, among AMERICAN REALTY CAPITAL GLOBAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (" Borrower "), AMERICAN REALTY CAPITAL GLOBAL TRUST, INC., a Maryland corporation (" Parent "), ARC GLOBAL HOLDCO, LLC, a Delaware limited liability company (" International Holdco "), the SUBSIDIARY GUARANTORS party hereto (the " Subsidiary Guarantors "; Parent, International Holdco and each of the Subsidiary Guarantors, individually, a " Guarantor Party " and, collectively, the " Guarantor Parties "), the LENDERS party hereto, and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (together with its successors and assigns in such capacity, the " Administrative Agent ").

RECITALS:

A. Borrower, the Administrative Agent and certain lenders (together with their respective successors and assigns, the " Lenders ") are parties to that certain Credit Agreement dated as of July 25, 2013, as amended by that certain First Amendment to Credit Agreement dated as of November 22, 2013, that certain letter agreement regarding updated schedules dated as of November 22, 2013, that certain letter agreement regarding updated schedules dated as of December 20, 2013, that certain letter agreement regarding updated schedules dated as of January 15, 2014, that certain Omnibus Amendment to Loan Documents dated as of March 26, 2014, that certain letter agreement regarding updated schedules dated as of April 17, 2014, that certain Third Amendment to Credit Agreement dated as of June 24, 2014, that certain letter agreement regarding updated schedules dated as of June 24, 2014, that certain Fourth Amendment to Credit Agreement dated as of July 29, 2014, that certain letter agreement regarding updated schedules dated as of July 30, 2014, and that certain letter agreement regarding updated schedules dated as of August 25, 2014 (as so amended, the " Credit Agreement "; and except as otherwise herein expressly provided, each initially capitalized term used herein has the meaning assigned to such term in the Credit Agreement, as amended by this Agreement).

B. Pursuant to Section 2.21 of the Credit Agreement, Borrower has requested, among other things, an increase in the Commitments by $265,000,000, and Barclays Bank PLC, Bank of America, N.A., JPMorgan Chase Bank, N.A., Regions Bank, Capital One, National Association and Mizuho Bank, Ltd. (each an " Electing Lender " and collectively, the " Electing Lenders ") have agreed to provide such increase.

C. The parties hereto desire to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendment of Credit Agreement . Effective as of the Effective Date (defined below), the Credit Agreement is hereby amended as follows:

(a) The following definition of "Anti-Corruption Laws" is hereby added to Section 1.01 of the Credit Agreement:

"" ***Anti-Corruption Laws*** " means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption."

(b) The last sentence of the definition of "Commitment" set forth in Section 1.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"As of October 16, 2014, the aggregate amount of the Lenders' Commitments is $680,000,000."

(c) The definition of "Governmental Authority" set forth in Section 1.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"" ***Governmental Authority*** " means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank)."

(d) The following is hereby added to the Credit Agreement as new Section 3.24 thereof:

"SECTION 3.24 Anti-Corruption . No borrowing, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws."

(e) The following is hereby added to the Credit Agreement as new Section 6.22 thereof:

"SECTION 6.22 Anti-Corruption . The Borrower shall not request any Borrowing, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws."

(f) The words "an agent" set forth in the third to last sentence of Section 9.04(c) of the Credit Agreement are hereby deleted in their entirety and replaced with the words "a non-fiduciary agent".

(g) The phrase "or other central bank" is hereby added to Section 9.04(d) of the Credit Agreement immediately after the words "Federal Reserve Bank".

(h) Schedule 2.01 of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule 2.01 attached hereto.

Section 2. Commitments . Barclays Bank PLC, Bank of America, N.A. and Mizuho Bank, Ltd. each agrees that, as of the Effective Date, it shall be a Lender for all purposes under the Loan Documents and each agrees to be bound by all of its obligations thereunder. Each Electing Lender agrees that its respective Commitment shall be equal to the amount set forth on Schedule 2.01 attached hereto.

Section 3. Notes . Notwithstanding anything to the contrary contained in the Credit Agreement, in connection with the increase in the Commitments contemplated by this Agreement, any Electing Lender may elect to not receive a Note to evidence the Loans made by such Electing Lender.

Section 4. Effective Date . The " Effective Date " shall be the date on which all of the following have been satisfied:

(a) the Administrative Agent shall have received signed counterparts of this Agreement from the Required Lenders (after giving effect to the increase in the Commitments contemplated by this Agreement);

(b) the Administrative Agent shall have received the Electing Lenders', Borrower's, Parent's, International Holdco's and the Subsidiary Guarantors' signed counterparts of this Agreement;

(c) each Electing Lender shall have received a Note executed by Borrower in the principal amount equal to such Electing Lender's Commitment as set forth on Schedule 2.01 attached hereto (unless, as provided in Section 3, such Electing Lender shall elect to not receive such Note); and

(d) the Administrative Agent shall have been paid all reasonable out-of-pocket expenses, including reasonable legal fees for the Administrative Agent's outside counsel, due to it pursuant to the transaction contemplated herein and all reasonable outstanding out-of-pocket fees and expenses, if any, that have been invoiced to Borrower to date.

Section 5. Borrower's Representations. Borrower hereby represents and warrants to the Administrative Agent and the Lenders, as follows:

(a) each of the representations and warranties of Borrower contained or incorporated in the Credit Agreement, as amended by this Agreement, or any of the other Loan Documents to which it is a party, are true and correct in all material respects on and as of the date hereof (except if any such representation or warranty is expressly stated to have been made as of a specific date, then as of such specific date);

(b) as of the date hereof and immediately after giving effect to this Agreement, no Default and no Event of Default has occurred and is continuing;

(c) Borrower has all necessary limited partnership power and authority to execute, deliver and perform its obligations under this Agreement; Borrower has been duly authorized by all necessary limited partnership action on its part; and this Agreement has been duly and validly executed and delivered by Borrower and constitutes Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and

(d) Borrower's execution and delivery of this Agreement (i) does not require any consent or approval of, registration or filing with, or any other action by, any governmental authority, except for such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Borrower or any order of any governmental authority and (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon Borrower or any of its assets.

Section 6. Guarantor Parties' Representations. Each Guarantor Party hereby represents and warrants to the Administrative Agent and the Lenders, as follows:

(a) each of the representations and warranties of such Guarantor Party contained or incorporated in the Guaranty or any of the other Loan Documents to which it is a party, are true and correct in all material respects on and as of the date hereof (except if any such representation or warranty is expressly stated to have been made as of a specific date, then as of such specific date);

(b) as of the date hereof and immediately after giving effect to this Agreement, such Guarantor Party is in compliance with its obligations under the Guaranty and each of the other Loan Documents to which it is a party;

(c) such Guarantor Party has all necessary corporate or limited liability company, as applicable, power and authority to execute, deliver and perform its obligations under this Agreement; such Guarantor Party has been duly authorized by all necessary corporate or limited liability company, as applicable, action on its part; and this Agreement has been duly and validly executed and delivered by such Guarantor Party and constitutes such Guarantor Party's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and

(d) such Guarantor Party's execution and delivery of this Agreement (i) does not require any consent or approval of, registration or filing with, or any other action by, any governmental authority, except for such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of such Guarantor Party or any order of any governmental authority and (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon such Guarantor Party or any of its assets.

Section 7. Ratification.

(a) Borrower hereby (i) reaffirms, ratifies, confirms, and acknowledges its obligations under the Credit Agreement (as amended hereby) and the other Loan Documents to which it is a party and agrees to continue to be bound thereby and perform thereunder and (ii) agrees and acknowledges that the Credit Agreement (as amended hereby) and the other Loan Documents and all of Borrower's obligations thereunder are and remain in full force and effect and, except as expressly provided herein, have not been affected, modified or amended.

(b) Each Guarantor Party hereby (i) reaffirms, ratifies, confirms, and acknowledges its obligations under the Guaranty and the other Loan Documents to which it is a party and agrees to continue to be bound thereby and perform thereunder and (ii) agrees and acknowledges that the Guaranty and the other Loan Documents and all of its obligations thereunder are and remain in full force and effect and, except as expressly provided herein, have not been affected, modified or amended.

Section 8. Miscellaneous.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) Amendments, Etc. The terms of this Agreement may be waived, modified and amended only by an instrument in writing duly executed by the party hereto against whom enforcement of such waiver, modification or amendment is sought (provided that, subject to the terms of the Credit Agreement, the Administrative Agent may execute any such waiver, modification or amendment on behalf of the Lenders). Any such waiver, modification or amendment shall be binding upon Borrower, the Guarantors, the Electing Lenders, the Administrative Agent and the Lenders.

(c) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of Borrower, the Guarantor Parties, the Electing Lenders, the Administrative Agent and the Lenders.

(d) Captions. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

(e) Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of this Agreement by facsimile or email transmission shall be effective as manual delivery of an executed counterpart hereof.

(f) Severability. Any provision hereof which is held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWER :

AMERICAN REALTY CAPITAL GLOBAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

PARENT :

AMERICAN REALTY CAPITAL GLOBAL TRUST, INC., a Maryland corporation

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

INTERNATIONAL HOLDCO :

ARC GLOBAL HOLDCO, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

SUBSIDIARY GUARANTORS :

ARC KSFTWPA001, LLC, a Delaware limited liability company

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC PPHHTKY001, LLC, a Delaware limited liability company

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWARANE001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWGRDMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWRVTIL001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC CWSALKS001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWUVLOH001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWVININ001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWWPKMN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC WWHWCMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GEGRDMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSFRNTN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC TFDPTIA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC NOWILND001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSDVRDE001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSGTNPA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSMSSTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC GSDALTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSIFLMN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC NOPLNTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC NNMFBTN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC DRINDIN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC VALWDCO001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC LPSBDIN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GBLMESA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC NSSNJCA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FEAMOTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FECPEMA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FESANTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC SZPTNNJ001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC WNBRNMO001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC VCLIVMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC ATSNTTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC PNEREPA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC PNSCRPA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CTFTMSC001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ADMINISTRATIVE AGENT:

JPMORGAN CHASE BANK, N.A.

By: /s/ Rita Lai
Name: Rita Lai
Title: Senior Credit Banker

LENDERS:

JPMORGAN CHASE BANK, N.A.

By: /s/ Rita Lai
Name: Rita Lai
Title: Senior Credit Banker

[signatures continue on following pages]

REGIONS BANK

By: /s/ Michael R. Mellott
Name: Michael R. Mellott
Title: Director

[signatures continue on following pages]

RBS CITIZENS N.A.

By: ____________________________
Name:
Title:

[signatures continue on following pages]

SUMITOMO MITSUI BANKING CORPORATION

By: ______________________________

Name:

Title:

[signatures continue on following pages]

CAPITAL ONE, NATIONAL ASSOCIATION

By: /s/ Frederick G. Denecke
Name: Frederick G. Denecke
Title: Senior Vice President

[signatures continue on following pages]

COMERICA BANK

By: /s/ Charles Weddell
Name: Charles Weddell
Title: Vice PResident

[signatures continue on following pages]

BARCLAYS BANK PLC

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Vice President

[signatures continue on following pages]

BANK OF AMERICA, N.A.

By: /s/ Michael W. Edwards
Name: Michael W. Edwards
Title: Senior Vice President

[signatures continue on following page]

MIZUHO BANK, LTD.

By: /s/ Noel Purcell
Name: Noel Purcell
Title: Authorized Signatory

[end of signatures]

SCHEDULE 2.01 – COMMITMENTS

Lender	**Commitment**	
JPMorgan Chase Bank, N.A.	$	125,000,000
Regions Bank	$	125,000,000
RBS Citizens N.A.	$	100,000,000
Mizuho Bank, Ltd.	$	100,000,000
Sumitomo Mitsui Banking Corporation	$	50,000,000
Capital One, National Association	$	50,000,000
Barclays Bank PLC	$	50,000,000
Bank of America, N.A.	$	50,000,000
Comerica Bank	$	30,000,000
Total Commitments	**$**	**680,000,000**

Exhibit 10.37

Execution Version

SIXTH AMENDMENT TO CREDIT AGREEMENT

SIXTH AMENDMENT TO CREDIT AGREEMENT (this " Agreement ") dated as of December 16, 2014, among AMERICAN REALTY CAPITAL GLOBAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (" Borrower "), AMERICAN REALTY CAPITAL GLOBAL TRUST, INC., a Maryland corporation (" Parent "), ARC GLOBAL HOLDCO, LLC, a Delaware limited liability company (" International Holdco "), the SUBSIDIARY GUARANTORS party hereto (the " Subsidiary Guarantors "; Parent, International Holdco and each of the Subsidiary Guarantors, individually, a " Guarantor Party " and, collectively, the " Guarantor Parties "), ELECTING LENDER (defined below), and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders defined below (together with its successors and assigns in such capacity, the " Administrative Agent ").

RECITALS:

A. Borrower, the Administrative Agent and certain lenders (together with their respective successors and assigns, the " Lenders ") are parties to that certain Credit Agreement dated as of July 25, 2013, as amended by that certain First Amendment to Credit Agreement dated as of November 22, 2013, that certain letter agreement regarding updated schedules dated as of November 22, 2013, that certain letter agreement regarding updated schedules dated as of December 20, 2013, that certain letter agreement regarding updated schedules dated as of January 15, 2014, that certain Omnibus Amendment to Loan Documents dated as of March 26, 2014, that certain letter agreement regarding updated schedules dated as of April 17, 2014, that certain Third Amendment to Credit Agreement dated as of June 24, 2014, that certain letter agreement regarding updated schedules dated as of June 24, 2014, that certain Fourth Amendment to Credit Agreement dated as of July 29, 2014, that certain letter agreement regarding updated schedules dated as of July 30, 2014, that certain letter agreement regarding updated schedules dated as of August 25, 2014, that certain Fifth Amendment to Credit Agreement dated as of October 16, 2014, that certain letter agreement regarding updated schedules dated as of October 22, 2014, and that certain letter agreement regarding updated schedules dated as of December 12, 2014 (as so amended, the " Credit Agreement "; and except as otherwise herein expressly provided, each initially capitalized term used herein has the meaning assigned to such term in the Credit Agreement, as amended by this Agreement).

B. Pursuant to Section 2.21 of the Credit Agreement, Borrower has requested, among other things, an increase in the Commitments by $25,000,000, and RBS Citizens N.A. (" Electing Lender ") has agreed to provide such increase, effective January 16, 2015.

C. The parties hereto desire to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendment of Credit Agreement . Effective as of January 16, 2015, the Credit Agreement is hereby amended as follows:

(a) The last sentence of the definition of "Commitment" set forth in Section 1.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"As of January 16, 2015, the aggregate amount of the Lenders' Commitments is $705,000,000."

(b) Schedule 2.01 of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule 2.01 attached hereto.

Section 2. Commitment . Electing Lender agrees that, effective as of January 16, 2015, its Commitment shall be equal to the amount set forth on Schedule 2.01 attached hereto.

Section 3. Conditions Precedent. It is a condition precedent to the effectiveness of this Agreement that all of the following have been satisfied:

(a) the Administrative Agent shall have received Electing Lender's, Borrower's, Parent's, International Holdco's and the Subsidiary Guarantors' signed counterparts of this Agreement;

(b) Electing Lender shall have received a Note, dated effective as of January 16, 2015, executed by Borrower in the principal amount equal to Electing Lender's Commitment as set forth on Schedule 2.01 attached hereto; and

(c) the Administrative Agent shall have been paid all reasonable out-of-pocket expenses, including reasonable legal fees for the Administrative Agent's outside counsel, due to it pursuant to the transaction contemplated herein and all reasonable outstanding out-of-pocket fees and expenses, if any, that have been invoiced to Borrower to date.

Section 4. Borrower's Representations. Borrower hereby represents and warrants to the Administrative Agent and the Lenders, as follows:

(a) each of the representations and warranties of Borrower contained or incorporated in the Credit Agreement, as amended by this Agreement, or any of the other Loan Documents to which it is a party, are true and correct in all material respects on and as of the date hereof (except if any such representation or warranty is expressly stated to have been made as of a specific date, then as of such specific date);

(b) as of the date hereof and immediately after giving effect to this Agreement, no Default and no Event of Default has occurred and is continuing;

(c) Borrower has all necessary limited partnership power and authority to execute, deliver and perform its obligations under this Agreement; Borrower has been duly authorized by all necessary limited partnership action on its part; and this Agreement has been duly and validly executed and delivered by Borrower and constitutes Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and

(d) Borrower's execution and delivery of this Agreement (i) does not require any consent or approval of, registration or filing with, or any other action by, any governmental authority, except for such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Borrower or any order of any governmental authority and (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon Borrower or any of its assets.

Section 5. Guarantor Parties' Representations. Each Guarantor Party hereby represents and warrants to the Administrative Agent and the Lenders, as follows:

(a) each of the representations and warranties of such Guarantor Party contained or incorporated in the Guaranty or any of the other Loan Documents to which it is a party, are true and correct in all material respects on and as of the date hereof (except if any such representation or warranty is expressly stated to have been made as of a specific date, then as of such specific date);

(b) as of the date hereof and immediately after giving effect to this Agreement, such Guarantor Party is in compliance with its obligations under the Guaranty and each of the other Loan Documents to which it is a party;

(c) such Guarantor Party has all necessary corporate or limited liability company, as applicable, power and authority to execute, deliver and perform its obligations under this Agreement; such Guarantor Party has been duly authorized by all necessary corporate or limited liability company, as applicable, action on its part; and this Agreement has been duly and validly executed and delivered by such Guarantor Party and constitutes such Guarantor Party's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law); and

(d) such Guarantor Party's execution and delivery of this Agreement (i) does not require any consent or approval of, registration or filing with, or any other action by, any governmental authority, except for such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of such Guarantor Party or any order of any governmental authority and (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon such Guarantor Party or any of its assets.

Section 6. Ratification .

(a) Borrower hereby (i) reaffirms, ratifies, confirms, and acknowledges its obligations under the Credit Agreement (as amended hereby) and the other Loan Documents to which it is a party and agrees to continue to be bound thereby and perform thereunder and (ii) agrees and acknowledges that the Credit Agreement (as amended hereby) and the other Loan Documents and all of Borrower's obligations thereunder are and remain in full force and effect and, except as expressly provided herein, have not been affected, modified or amended.

(b) Each Guarantor Party hereby (i) reaffirms, ratifies, confirms, and acknowledges its obligations under the Guaranty and the other Loan Documents to which it is a party and agrees to continue to be bound thereby and perform thereunder and (ii) agrees and acknowledges that the Guaranty and the other Loan Documents and all of its obligations thereunder are and remain in full force and effect and, except as expressly provided herein, have not been affected, modified or amended.

Section 7. Miscellaneous .

(a) GOVERNING LAW . THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) Amendments, Etc . The terms of this Agreement may be waived, modified and amended only by an instrument in writing duly executed by the party hereto against whom enforcement of such waiver, modification or amendment is sought (provided that, subject to the terms of the Credit Agreement, the Administrative Agent may execute any such waiver, modification or amendment on behalf of the Lenders). Any such waiver, modification or amendment shall be binding upon Borrower, the Guarantors, Electing Lender, the Administrative Agent and the Lenders.

(c) Successors and Assigns . This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of Borrower, the Guarantor Parties, Electing Lender, the Administrative Agent and the Lenders.

(d) Captions . The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

(e) Counterparts . This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed counterpart of this Agreement by facsimile or email transmission shall be effective as manual delivery of an executed counterpart hereof.

(f) Severability . Any provision hereof which is held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWER :

AMERICAN REALTY CAPITAL GLOBAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

PARENT :

AMERICAN REALTY CAPITAL GLOBAL TRUST, INC., a Maryland corporation

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

INTERNATIONAL HOLDCO :

ARC GLOBAL HOLDCO, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

SUBSIDIARY GUARANTORS :

ARC KSFTWPA001, LLC, a Delaware limited liability company

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC PPHHTKY001, LLC, a Delaware limited liability company

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWARANE001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWGRDMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWRVTIL001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC CWSALKS001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWUVLOH001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWVININ001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CWWPKMN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC WWHWCMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GEGRDMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSFRNTN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC TFDPTIA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC NOWILND001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSDVRDE001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSGTNPA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSMSSTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC GSDALTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GSIFLMN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC NOPLNTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC NNMFBTN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC DRINDIN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC VALWDCO001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC LPSBDIN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GBLMESA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC NSSNJCA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FEAMOTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FECPEMA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FESANTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC SZPTNNJ001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC WNBRNMO001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC VCLIVMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC ATSNTTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC PNEREPA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC PNSCRPA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC CTFTMSC001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC TFKMZMI001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC SWWSVOH001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC MKMDNNJ001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FD73SLB001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC GRRALNC001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GRMSAAZ001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GRLBKTX001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC GRLOUKY001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC WMWSLNC001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC SANPLFL001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC DG40PCK001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FEWTRNY001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC FEBHMNY001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FEWNAMN001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC FSMCHIL001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

ARC SLSTCCA001, LLC, a Delaware limited liability company

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway
Name: Jesse C. Galloway
Title: Authorized Signatory

[signatures continue on following pages]

ARC FUMANUK001, LLC, a Delaware limited liability company

By: ARC Global Holdco, LLC, a Delaware limited liability company, its sole member

By: American Realty Capital Global Operating Partnership, L.P., a Delaware limited partnership, its sole member

By: American Realty Capital Global Trust, Inc., a Maryland corporation, its general partner

By: /s/ Jesse C. Galloway

Name: Jesse C. Galloway

Title: Authorized Signatory

[signatures continue on following pages]

ADMINISTRATIVE AGENT :

JPMORGAN CHASE BANK, N.A.

By: /s/ Rita Lai
Name: Rita Lai
Title: Senior Credit Banker

[signatures continue on following page]

ELECTING LENDER :

RBS CITIZENS N.A.

By: /s/ Donald Woods
Name: Donald Woods
Title: Senior Vice President

[end of signatures]

SCHEDULE 2.01 – COMMITMENTS

Lender	Commitment	
JPMorgan Chase Bank, N.A.	$	125,000,000
Regions Bank	$	125,000,000
RBS Citizens N.A.	$	125,000,000
Mizuho Bank, Ltd.	$	100,000,000
Sumitomo Mitsui Banking Corporation	$	50,000,000
Capital One, National Association	$	50,000,000
Barclays Bank PLC	$	50,000,000
Bank of America, N.A.	$	50,000,000
Comerica Bank	$	30,000,000
Total Commitments	**$**	**705,000,000**

Exhibit 10.41

GLOBAL NET LEASE, INC.

SECOND AMENDED AND RESTATED

2015 ADVISOR MULTI-YEAR OUTPERFORMANCE AGREEMENT

This SECOND AMENDED AND RESTATED 2015 ADVISOR MULTI-YEAR OUTPERFORMANCE AGREEMENT (this " Agreement ") made as of February 25, 2016, by and among GLOBAL NET LEASE INC., a Maryland corporation (the " Company "), its subsidiary GLOBAL NET LEASE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the " Partnership "), and GLOBAL NET LEASE ADVISORS, LLC, a Delaware limited liability company, the Company's manager (the " Advisor ").

RECITALS

The Advisor provides services to the Company pursuant to the Amended and Restated Advisory Agreement by and among the Company, the Partnership and the Advisor, dated as of November 7, 2012, as amended from time to time.

The Board of Directors of the Company (the " Board "), or a committee of the Board designated by the Board, approved this Agreement to provide the Advisor with the incentive compensation described in this Agreement (the " Award ") and thereby provide additional incentive for the Advisor to promote the progress and success of the business of the Company and its affiliates, including the Partnership. This Agreement evidences the Award and is subject to the terms and conditions set forth herein and in the Partnership Agreement (as defined herein).

NOW, THEREFORE, the Company, the Partnership and the Advisor agree as follows:

1. Administration . The Award granted under this Agreement shall be administered by a Committee appointed by the Board from time to time to administer the Plan (the " Committee "); provided that all powers of the Committee hereunder can be exercised by the full Board if the Board so elects. To the extent that no Committee exists that has the authority to administer this Agreement, the functions of the Committee shall be exercised by the Board and the Board shall be considered the "Committee" hereunder. The Committee shall have the discretionary authority to make all determinations regarding the Award, including, without limitation, the interpretation and construction of the Award and the determination of relevant facts; provided such determinations are made in good faith and are consistent with the purpose and intent of the Award. Except as expressly provided herein, no such action by the Committee shall adversely affect the rights of the Advisor to any earned and outstanding Award LTIP Units (as defined below). Subject to the terms hereof, all decisions made by the Committee shall be final, conclusive and binding on all persons, including the Company, the Partnership and the Advisor. No member of the Committee, nor any other member of the Board or any officer or employee of the Company acting on behalf of the Committee, shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Award, and all members of the Committee and each other member of the Board and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

2. Definitions. The definitions for certain terms used herein are set forth in Exhibit A.

3. Outperformance Award.

a. On June 2, 2015 (the " Grant Date ") the Advisor was granted the Award, consisting of 9,041,801 LTIP Units (the " **Award LTIP Units** "), which will be subject to forfeiture and vesting to the extent provided in this Section 3 and Section 4 hereof.

b. As soon as practicable following each Valuation Date, but as of such Valuation Date, the Committee will determine the applicable Annual Amount and divide the resulting dollar amount by the Common Stock Price calculated as of the applicable Valuation Date (appropriately adjusted to the extent that the Conversion Factor is greater or less than 1.0); the resulting number of unit equivalents determined for each Valuation Date referred to herein as the " **Annual OPP Unit Equivalent** ".

c. As soon as practicable following the Second Valuation Date, but as of the Second Valuation Date, the Committee will determine the Interim Amount and divide the resulting dollar amount by the Common Stock Price calculated as of the Second Valuation Date (appropriately adjusted to the extent that the Conversion Factor is greater or less than 1.0); the resulting number of unit equivalents determined as of the Second Valuation Date referred to herein as the " **Interim OPP Unit Equivalent** ".

d. As soon as practicable following the Final Valuation Date, but as of the Final Valuation Date, the Committee will:

(i) determine the Final Absolute TRS Amount;

(ii) determine the Final Relative TRS Amount;

(iii) determine the Total Outperformance Amount; and

(iv) divide the resulting dollar amounts by the Common Stock Price calculated as of the Final Valuation Date (appropriately adjusted to the extent that the Conversion Factor is greater or less than 1.0); the resulting number of unit equivalents determined as of the Final Valuation Date referred to herein as the " **Final OPP Unit Equivalent** ."

If the Total OPP Unit Equivalent is smaller than the number of Award LTIP Units previously issued to the Advisor, as of the Final Valuation Date, the Advisor shall forfeit the number of Award LTIP Units equal to the difference without payment of any consideration by the Partnership or the Company; thereafter the term Award LTIP Units will refer only to the Award LTIP Units that were not so forfeited and neither the Advisor nor any of its successors, members or their respective assigns or personal representatives will have any further rights or interests in the Award LTIP Units that were so forfeited. If the Total OPP Unit Equivalent is greater than the number of Award LTIP Units previously issued to the Advisor: (A) the Company shall cause the Partnership to issue to the Advisor, as of the Final Valuation Date, a number of additional LTIP Units equal to the difference; (B) such additional LTIP Units shall be added to the Award LTIP Units previously issued, if any, and thereby become part of this Award; and (C) the Company and the Partnership shall take such action as is necessary to accomplish the grant of such additional LTIP Units; provided that such issuance will be subject to the Advisor executing and delivering such documents, comparable to the documents executed and delivered in connection with this Agreement, as the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws. If the Total OPP Unit Equivalent is the same as the number of Award LTIP Units previously issued to the Advisor, then there will be no change to the number of Award LTIP Units under this Award.

e. If any of the Award LTIP Units have been earned based on performance as provided in Sections 3(b), (c) and (d), subject to Section 4 hereof, the Award LTIP Units shall become vested in the following amounts and at the following times, provided that the Continuous Service of the Advisor must continue through the applicable vesting date:

(i) one-third (1/3) on June 2, 2018;

(ii) one-third (1/3) on June 2, 2019; and

(iii) one-third (1/3) on June 2, 2020.

f. Within thirty (30) days following each vesting date under Section 3(e), the Advisor, in its sole discretion, shall be entitled to convert such Award LTIP Units that vested on such date into OP Units in accordance with the terms of the Partnership Agreement.

g. Any Award LTIP Units that do not become vested pursuant to Section 3(e) or Section 4 hereof shall, without payment of any consideration by the Partnership or the Company automatically and without notice be forfeited and be and become null and void, and neither the Advisor nor any of its successors, heirs, assigns, members or their respective assigns or personal representatives will thereafter have any further rights or interests in such forfeited Award LTIP Units.

4. Termination/Change of Control.

a. In the event the Company terminates the Advisor's Continuous Service for any reason prior to the Final Valuation Date, the calculations provided in Sections 3(b), (c) and (d) hereof shall be performed as of the Valuation Date next following such termination (and if such Valuation Date is not the Final Valuation Date, on the Final Valuation Date as well) as if the termination of Continuous Service had not occurred and the Advisor shall be fully (100%) vested in the Total OPP Unit Equivalent as so determined. Within thirty (30) days of the date such calculations are completed, the Advisor, in its sole discretion, shall be entitled to convert the Total OPP Unit Equivalent so determined into OP Units in accordance with the terms of the Partnership Agreement.

b. In the event the Company terminates the Advisor's Continuous Service for any reason after the Final Valuation Date, any then unvested Award LTIP Units shall be fully (100%) vested and non-forfeitable hereunder. Within thirty (30) days of the date such termination, the Advisor, in its sole discretion, shall be entitled to convert such Award LTIP Units into OP Units in accordance with the terms of the Partnership Agreement.

c. In the event of a Change in Control prior to the Final Valuation Date, (i) the Advisor shall become fully (100%) vested in any Award LTIP Units that had been earned but were unvested prior to the Change in Control and within thirty (30) days of the date such Change in Control, the Advisor, in its sole discretion, shall be entitled to convert such Earned Annual and Interim OPP Units into OP Units or common stock in accordance with the terms of the Partnership Agreement; and (ii) the calculations provided in Sections 3(b), (c) and (d) hereof shall be performed as of the Valuation Date next following such Change in Control (and if such Valuation Date is not the Final Valuation Date, on the Final Valuation Date as well) and the Advisor shall be fully (100%) vested in the Total OPP Unit Equivalent as so determined and within thirty (30) days of the date such calculations are completed, the Advisor, in its sole discretion, shall be entitled to convert the number of Award LTIP Units so determined into OP Units in accordance with the terms of the Partnership Agreement.

d. In the event of a Change in Control after the Final Valuation Date, subject to the Continuous Service of the Advisor through the date of such Change in Control, any then unvested Award LTIP Units shall be fully (100%) vested and non-forfeitable hereunder. Within thirty (30) days of the date such Change in Control, the Advisor, in its sole discretion, shall be entitled to convert such Award LTIP Units into OP Units in accordance with the terms of the Partnership Agreement.

5. Rights of Advisor . The Advisor shall have no rights with respect to this Agreement (and the Award evidenced hereby) unless the Advisor shall have accepted this Agreement prior to the close of business on the Effective Date by signing and delivering to the Partnership a copy of this Agreement. Upon acceptance of this Agreement by the Advisor, the Partnership Agreement shall be amended to reflect the issuance to the Advisor of the Award LTIP Units so accepted. Thereupon, the Advisor shall have all the rights of a Limited Partner of the Partnership with respect to the Award LTIP Units, as set forth in the Partnership Agreement, subject, however, to the restrictions and conditions specified herein. Award LTIP Units constitute and shall be treated for all purposes as the property of the Advisor, subject to the terms of this Agreement and the Partnership Agreement.

6. Distributions .

a. The Advisor shall be entitled to receive distributions with respect to the Award LTIP Units to the extent provided for in the Partnership Agreement.

b. The LTIP Unit Distribution Participation Date (as defined in the Partnership Agreement) with respect to any Award LTIP Unit shall be the date as of which such Award LTIP Unit is earned pursuant to Sections 3(b), (c) and (d) , and as of such date, the Advisor will be entitled, for each Award LTIP Unit earned, to a priority distribution from the Partnership in cash equal to the difference of (i) the quotient of (A) the per unit amount of all distributions paid with respect to each OP Unit on or after the Effective Date and before the date on which such Award LTIP Unit is earned (other than those with respect to which an adjustment was made pursuant to Section 8 hereof) divided by (B) the Conversion Factor minus (ii) any amounts previously distributed by the Partnership with respect to such Award LTIP Unit.

c. All distributions paid with respect to Award LTIP Units shall be fully vested and non-forfeitable when paid, whether or not the underlying LTIP Units have been earned based on performance or have become vested based on the passage of time as provided in Section 3 or Section 4 hereof.

7. Restrictions on Transfer . Except as otherwise permitted by the Committee in its sole discretion, none of the Award LTIP Units granted hereunder nor any of the OP Units of the Partnership into which such Award LTIP Units may be converted (the " **Award OP Units** ") shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of, encumbered, whether voluntarily or by operation of law (each such action a " **Transfer** "). The transferee in any Transfers of Award LTIP Units or Award OP Units permitted by the Committee must agree in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and that subsequent transfers shall be prohibited except those in accordance with this Section 7 . Additionally, all Transfers of Award LTIP Units or Award OP Units must be in compliance with all applicable securities laws (including, without limitation, the Securities Act) and the applicable terms and conditions of the Partnership Agreement. In connection with any Transfer of Award LTIP Units or Award OP Units, the Partnership may require the Advisor to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of Award LTIP Units or Award OP Units not in accordance with the terms and conditions of this Section 7 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any Award LTIP Units or Award OP Units as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any Award LTIP Units or Award OP Units. Except as provided in this Section 7 , this Agreement is personal to the Advisor, is non-assignable and is not transferable in any manner, by operation of law or otherwise.

8. Changes in Capital Structure . If (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company or other transaction similar thereto, (ii) any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, significant repurchases of stock, or other similar change in the capital stock of the Company, (iii) any cash dividend or other distribution to holders of share of Common Stock or OP Units shall be declared and paid other than in the ordinary course, or (iv) any other extraordinary corporate event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of equitable or proportionate adjustment in the terms of this Agreement or the Award LTIP Units to avoid distortion in the value of this Award, the Committee shall make equitable or proportionate adjustment and take such other action as it deems necessary to maintain the Advisor's rights hereunder so that they are substantially proportionate to the rights existing under this Award and the terms of the Award LTIP Units prior to such event, including, without limitation: (A) interpretations of or modifications to any defined term in this Agreement; (B) adjustments in any calculations provided for in this Agreement, and (C) substitution of other awards. All adjustments made by the Committee shall be final, binding and conclusive.

9. Miscellaneous.

a. Amendments. This Agreement may be amended or modified only with the consent of the Company and the Partnership acting through the Committee; provided that any such amendment or modification that adversely affects the rights of the Advisor hereunder must be consented to by the Advisor to be effective as against it. Notwithstanding the foregoing, this Agreement may be amended in writing signed only by the Company and the Partnership to correct any errors or ambiguities in this Agreement and/or to make such changes that do not adversely affect the Advisor's rights hereunder.

b. Legend. The records of the Partnership evidencing the Award LTIP Units shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such Award LTIP Units are subject to restrictions as set forth herein and in the Partnership Agreement.

c. Compliance With Law. The Partnership and the Advisor will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Award LTIP Units will become vested or be paid at a time that such vesting or payment would result in a violation of any such law.

d. Advisor Representations; Registration.

(i) The Advisor hereby represents and warrants that (A) it understands that it is responsible for consulting its own tax advisor with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Advisor is or by reason of this Award may become subject, to its particular situation; (B) the Advisor has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective Affiliates (as defined in the Partnership Agreement), employees, agents, consultants or advisors, in their capacity as such; (C) the Advisor provides services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as the Advisor believes to be necessary and appropriate to make an informed decision to accept this Award; (D) Award LTIP Units are subject to substantial risks; (E) the Advisor has been furnished with, and has reviewed and understands, information relating to this Award; (F) the Advisor has been afforded the opportunity to obtain such additional information as it deemed necessary before accepting this Award; and (G) the Advisor has had an opportunity to ask questions of representatives of the Partnership and the Company, or persons acting on their behalf, concerning this Award.

(ii) The Advisor hereby acknowledges that: (A) there is no public market for Award LTIP Units or Award OP Units and neither the Partnership nor the Company has any obligation or intention to create such a market; (B) sales of Award LTIP Units and Award OP Units are subject to restrictions under the Securities Act and applicable state securities laws; and (C) because of the restrictions on transfer or assignment of Award LTIP Units and Award OP Units set forth in the Partnership Agreement and in this Agreement, the Advisor may have to bear the economic risk of its ownership of the Award LTIP Units covered by this Award for an indefinite period of time.

e. Section 83(b) Election. In connection with each separate issuance of LTIP Units under this Award pursuant to Section 3 hereof, the Advisor may elect to include in gross income in the year of transfer the applicable Award LTIP Units pursuant to Section 83 (b) of the Code substantially in the form attached hereto as Exhibit B and to supply the necessary information in accordance with the regulations promulgated thereunder. The Advisor agrees to file such election (or to permit the Partnership to file such election on the Advisor's behalf) within thirty (30) days after the Grant Date with the IRS Service Center where the Advisor files its personal income tax returns, provide a copy of such election to the Partnership and the Company, and to file a copy of such election with the Advisor's U.S. federal income tax return for the taxable year in which the LTIP Units are awarded to the Advisor. So long as the Advisor holds any Award LTIP Units, the Advisor shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of LTIP Units as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

f. Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

g. Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of State of Delaware, without giving effect to the principles of conflict of laws of such state.

h. No Obligation to Continue Service as a Consultant or Advisor. Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Advisor as a consultant, advisor or other service provider and this Agreement shall not interfere in any way with the right of the Company or any affiliate to terminate the Advisor's service relationship at any time.

i. Notices. Any notice to be given to the Company shall be addressed to the Secretary of the Company at 405 Park Avenue, 14 Floor, New York, New York, 10022, and any notice to be given the Advisor shall be addressed to the Advisor at the Advisor's address as it appears on the records of the Company, or at such other address as the Company or the Advisor may hereafter designate in writing to the other.

j. Withholding and Taxes. The Advisor shall be solely responsible for all federal, state, local, foreign, or other taxes or any taxes under the Federal Insurance Contributions Act with respect to this Award. Notwithstanding the foregoing, if at any time the Company or Partnership are required to withhold any such taxes, the Advisor shall make arrangements satisfactory to the Committee regarding the payment of any United States federal, state, local, foreign, or other taxes required by law to be withheld with respect to such amount; provided, however, that if any Award LTIP Units or Award OP Units are withheld (or returned), the number of Award LTIP Units or Award OP Units so withheld (or returned) shall be limited to the number which have a fair market value on the date of withholding equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Advisor.

k. Headings. The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

l. Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

m. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Company and the Partnership, on the one hand, and any successors to the Advisor, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Advisor.

n. Section 409A. This Agreement shall be construed, administered and interpreted in accordance with a good faith interpretation of Section 409A of the Code. Any provision of this Agreement that is inconsistent with Section 409A of the Code, or that may result in penalties under Section 409A of the Code, shall be amended, with the reasonable cooperation of the Advisor and the Company and the Partnership, to the extent necessary to exempt it from, or bring it into compliance with, Section 409A of the Code.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

GLOBAL NET LEASE, INC.

By: /s/ Scott J. Bowman
Name: Scott J. Bowman
Title: Chief Executive Officer and President

GLOBAL NET LEASE OPERATING PARTNERSHIP, L.P.

By: Global Net Lease, Inc., its general partner

By: /s/ Scott J. Bowman
Name: Scott J. Bowman
Title: Chief Executive Officer and President

GLOBAL NET LEASE ADVISORS, LLC

By: GLOBAL NET LEASE SPECIAL LIMITED PARTNER, LLC, its member

By: AR CAPITAL GLOBAL HOLDINGS, LLC, its member

By: AR GLOBAL INVESTMENTS, LLC, its member

By: /s/ William M. Kahane
Name: William M. Kahane
Title: Manager

[Signature Page to Outerperformance Award Agreement]

EXHIBIT A

DEFINITIONS

" **Additional Shares** " means (without double-counting), as of a particular date of determination, the sum of (A) the number of shares of Common Stock plus (B) the REIT Shares Amount for all Partnership Units (assuming that such Partnership Units were converted, exercised, exchanged or redeemed for OP Units as of such date of determination at the applicable conversion, exercise, exchange or redemption rate (or rate deemed applicable by the Committee if there is no such stated rate) and such OP Units were then tendered to the Partnership for redemption pursuant to the Partnership Agreement as of such date) other than those Partnership Units held by the Company, in the case of each (A) and (B), to the extent issued after the Effective Date and on or before such date of determination in a capital raising transaction, in exchange for assets or securities, or upon the acquisition of another entity; provided , that for the avoidance of doubt, this definition of "Additional Shares" shall exclude: (i) shares of Common Stock issued after the Effective Date upon exercise of stock options or upon the exchange (directly or indirectly) of LTIP Units or other Partnership Units issued to employees, non-employee directors, consultants, advisors or other persons or entities as incentive or other compensation, (ii) shares of Common Stock awarded after the Effective Date to employees or other persons or entities in exchange for services provided or to be provided to the Company or any of its affiliates, and (iii) all Initial Shares.

" **Adjusted Market Cap** " means (A) the Company's Initial Market Cap less an amount equal to the total number of Buyback Shares bought back during the measurement period multiplied by $9.50 with respect to the calculation of (i) the Annual Amount on the First Valuation Date, (ii) the Interim Amount, (iii) the Final Absolute TRS Amount and (iv) the Final Relative TRS Amount, and (B) the Total Shares as of the prior Valuation Date less any Buyback Shares bought back during the measurement period multiplied by the spot closing stock price on the prior Valuation Date, with respect to the calculation of the Annual Amount on the Second Valuation Date and the Final Valuation Date.

" **Annual Absolute TRS** " means, as of each Valuation Date, a dollar amount equal to four percent (4%) of the dollar amount by which, if any, the amount of the Company's Total Return, determined as of such date, exceeds the Threshold Amount, determined as of such date.

" **Annual Amount "** means, as of a Valuation Date, an amount equal to up to one and one quarter percent (1.25%) of the Company's Initial Market Cap based on the level of achievement of Annual Absolute TRS and Annual Relative TRS as of such Valuation Date for the period commencing on (A) the Effective Date with respect to the First Valuation Date and (B) the prior Valuation Date with respect to the Second Valuation Date and the Final Valuation Date.

" **Annual Relative TRS** " means, as of each Valuation Date, a dollar amount equal to four percent (4%) of any amount by which the Company's Total Return for the period commencing on (A) the Effective Date with respect to the First Valuation Date and (B) the prior Valuation Date with respect to the Second Valuation Date and the Final Valuation Date, exceeds the Relative Threshold Amount as of such date; provided , that the amount so earned will be subject to reduction in accordance with a ratable sliding scale factor so that (A) if the Company's TRS Percentage for the applicable period is six percent (6%) or more, there will be no reduction to Annual Relative TRS for such period; (B) Annual Relative TRS for such period shall be reduced by fifty percent (50%) if such TRS Percentage for the applicable period is zero percent (0%); (C) Annual Relative TRS for such period shall be reduced based on a linear interpolation between the foregoing reduction factors if the Company's TRS Percentage for the applicable period is between zero percent (0%) and six percent (6%) (*e.g.* , if the Company achieved a TRS Percentage of three percent (3%), the value of any award would be reduced by a factor of twenty-five percent (25%)); and (D) Annual Relative TRS for such period shall be reduced by one hundred percent (100%) if the TRS Percentage for the applicable period is below zero percent (0%).

" **Award OP Units** " has the meaning set forth in Section 7 hereof.

" **Award LTIP Units** " has the meaning set forth in Section 3(a) hereof.

" **Beneficial Owner** " has the meaning set forth in Rule 13d-3 under the Exchange Act.

" **Buyback Shares** " means (without double-counting), as of a particular date of determination, (A) shares of Common Stock or (B) the REIT Shares Amount for Partnership Units (assuming that such Partnership Units were converted, exercised, exchanged or redeemed for OP Units as of such date of determination at the applicable conversion, exercise, exchange or redemption rate (or rate deemed applicable by the Committee if there is no such stated rate) and such OP Units were then tendered to the Partnership for redemption pursuant to the Partnership Agreement as of such date), other than those Partnership Units held by the Company, in the case of each (A) and (B), to the extent repurchased by the Company after the Effective Date and on or before such date of determination in a stock buyback transaction or in a redemption of Partnership Units for cash pursuant to the Partnership Agreement; provided , that for the avoidance of doubt, this definition of "Buyback Shares" shall exclude: (i) shares of Common Stock issued after the Effective Date upon exercise of stock options or upon the exchange (directly or indirectly) of LTIP Units or other Partnership Units issued to employees, non-employee directors, consultants, advisors or other persons or entities as incentive or other compensation, and (ii) shares of Common Stock awarded after the Effective Date to employees or other persons or entities in exchange for services provided or to be provided to the Company or any of its affiliates.

" **Change of Control** " means and includes any of the following events:

(i) any Person is or becomes Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the then outstanding securities of the Company, excluding (A) any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (x) of subsection (ii) below and (B) any Person who becomes such a Beneficial Owner through the issuance of such securities with respect to purchases made directly from the Company; or

(ii) the consummation of a merger or consolidation of the Company with any other Person or the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (x) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) seventy percent (70%) or more of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (y) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the then outstanding securities of the Company; or

(iii) the consummation of a sale or disposition by the Company of all or substantially all of the assets of the Company; or

(iv) persons who, as of the Effective Date, constitute the Board (the " Incumbent Directors ") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board; provided that any person becoming a director of the Company subsequent to such date shall be considered an Incumbent Director if such person's election was approved by or such person was nominated for election a vote of at least a majority of the Incumbent Directors.

Notwithstanding the foregoing, with respect to any payment that is triggered upon a Change in Control, a transaction shall not be deemed to be a Change in Control unless such transaction constitutes a "change in control event" within the meaning of Section 409A of the Code.

" **Code** " means the Internal Revenue Code of 1986, as amended.

" **Common Stock** " means the Company's common stock, par value $0.01 per share, either currently existing or authorized hereafter.

" **Common Stock Price** " means, as of the Effective Date, $9.50 and, as of any other date, the average of the Fair Market Value of one share of Common Stock over the fifteen (15) consecutive trading days ending on, and including, such date (or, if such date is not a trading day, the most recent trading day immediately preceding such date); provided , however , that if such date is the date upon which a Transactional Change of Control occurs, the Common Stock Price as of such date shall be equal to the fair value, as determined by the Committee, of the total consideration paid or payable in the transaction resulting in the Transactional Change of Control for one share of Common Stock.

" **Continuous Service** " means the Advisor's continuous service as manager of the Company without interruption or termination.

" **Conversion Factor** " has the meaning set forth in the Partnership Agreement.

" **Effective Date** " means June 2, 2015.

" **Exchange Act** " means the Securities Exchange Act of 1934, as amended.

" **Fair Market Value** " means, as of any given date, the fair market value of a security determined by the Committee using any reasonable method and in good faith (such determination will be made in a manner that satisfies Section 409A of the Code and in good-faith as required by Section 422(c)(1) of the Code); provided that (A) if such security is admitted to trading on a national securities exchange, the fair market value of such security on any date shall be the closing sale price reported for such security on the principal stock exchange or, if applicable, any other national exchange on which the security is traded or admitted to trading on such date on which a sale was reported; and (B) if such security is admitted to quotation on the National Association of Securities Dealers Automated Quotation System (" NASDAQ ") or a successor quotation system, the fair market value of such security on any such date shall be the average of the highest bid and lowest asked prices for such security on the system on such date on which both the bid and asked prices were reported.

" **Final Absolute TRS Amount** " means, as of the Final Valuation Date, a dollar amount equal to four percent (4%) of the dollar amount by which, if any, the amount of the Company's Total Return, determined as of such date, exceeds the Threshold Amount, determined as of such date.

" **Final Relative TRS Amount** " means, as of the Final Valuation Date, a dollar amount equal to four percent (4%) of any amount by which the Company's Total Return for the period commencing on the Effective Date through the Final Valuation Date exceeds the Relative Threshold Amount as of such date; provided , that the amount so earned will be subject to reduction in accordance with a ratable sliding scale factor so that (A) if the Company's TRS Percentage for the period commencing on the Effective Date through the Final Valuation Date is eighteen percent (18%) or more, there will be no reduction to the Final Relative TRS Amount; (B) the Final Relative TRS Amount shall be reduced by fifty percent (50%) if such TRS Percentage is zero percent (0%); (C) the Final Relative TRS Amount shall be reduced based on a linear interpolation between the foregoing reduction factors if the Company's TRS Percentage is between zero percent (0%) and eighteen percent (18%) (*e.g.,* if the Company achieved a TRS Percentage of nine percent (9%), the value of any award would be reduced by a factor of twenty-five percent (25%)); and (D) the Final Relative TRS Amount shall be reduced by one hundred percent (100%) if such TRS Percentage is below zero percent (0%).

" **Final Valuation Date** " means June 2, 2018.

" **First Valuation Date** " means June 2, 2016.

" **Initial Market Cap** " means (A) $9.50 multiplied by (B) the number of Initial Shares outstanding on the Effective Date.

" **Initial Shares** " means the sum of: (A) all shares of Common Stock outstanding as of the applicable date (including any vested and nonvested restricted shares of Common Stock issued under any other incentive plan maintained by the Company prior to the applicable date), plus (B) any shares of Common Stock representing the REIT Shares Amount for all Partnership Units outstanding as of the applicable date (assuming such Partnership Units were converted, exercised, exchange or redeemed for OP Units as of the applicable date at the applicable conversion, exercise, exchange or redemption rate (or rate deemed applicable by the Committee if there is no such stated rate) and such OP Units were then tendered to the Partnership for redemption pursuant to the Partnership Agreement as of such date) other than Partnership Units held by the Company; provided, that for the avoidance of doubt, this definition of "Initial Shares" shall exclude shares of Common Stock issuable upon exercise of stock options or upon the exchange (directly or indirectly) of LTIP Units or other Partnership Units issued to employees, non-employee directors, consultants, advisors or other persons or entities as incentive or other compensation.

“ **Interim Amount** ” means, as of the Second Valuation Date, an amount equal to (A) up to three percent (3%) of the Company’s Initial Market Cap, less (B) any amount of the Annual Amount achieved through the Second Valuation Date (such that the maximum level of achievement through the Second Valuation Date shall not exceed three percent (3%) of the Company’s Initial Market Cap), based on the level of achievement of: (x) a dollar amount equal to four percent (4%) of the dollar amount by which, if any, the amount of the Company’s Total Return, determined as of such date, exceeds the Threshold Amount, determined as of such date (“ **Interim Absolute TRS** ”), and (y) as of the Second Valuation Date, a dollar amount equal to four percent (4%) of any amount by which the Company’s Total Return for the period commencing on the Effective Date, exceeds the Relative Threshold Amount as of such date (“ **Interim Relative TRS** ”); provided , that the amount so earned will be subject to reduction in accordance with a ratable sliding scale factor so that (A) if the Company’s TRS Percentage for the applicable period is twelve percent (12%) or more, there will be no reduction to Interim Relative TRS for such period; (B) Interim Relative TRS for such period shall be reduced by fifty percent (50%) if such TRS Percentage for the applicable period is zero percent (0%); (C) Interim Relative TRS for such period shall be reduced based on a linear interpolation between the foregoing reduction factors if the Company’s TRS Percentage for the applicable period is between zero percent (0%) and twelve percent (12%) (*e.g.* , if the Company achieved a TRS Percentage of six percent (6%), the value of any award would be reduced by a factor of twenty-five percent (25%)); and (D) Interim Relative TRS for such period shall be reduced by one hundred percent (100%) if the TRS Percentage for the applicable period is below zero percent (0%). For the avoidance of doubt, any Interim Amount will be determined based on the formula in the preceding sentence which provides for a reduction for any Annual Amounts determined at the First and Second Valuation Dates, but not less than zero.

“ **LTIP Units** ” means LTIP Units, as such term is defined in the Partnership Agreement.

“ **Maximum Total Outperformance Amount** ” means five percent (5%) of the Company’s Initial Market Cap.

“ **OP Units** ” has the meaning set forth in the Partnership Agreement.

“ **Partnership Agreement** ” means the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of June 2, 2015, among the Company, as general partner, the Advisor, as a limited partner, and any limited partners that are admitted from time to time to the Partnership and listed on Schedule A thereto, as amended, restated or supplemented from time to time.

“ **Partnership Units** ” has the meaning set forth in the Partnership Agreement.

“ **Peer Group** ” means Gramercy Property Trust Inc., Lexington Realty Trust, Select Income REIT, and W. P. Carey Inc.

“ **Peer Group Return Percentage** ” means, the median percentage return to stockholders of the Peer Group (A) for the period commencing on the Effective Date and ending on the First Valuation Date with respect to the calculation of Annual Relative TRS for the First Valuation Date, (B) for the period commencing on the day after the prior Valuation Date and ending on the next Valuation Date with respect to calculation of Annual Relative TRS for the Second Valuation Date and the Final Valuation Date and (C) for the period commencing on the Effective Date and ending on the Second Valuation Date and the Final Valuation Date with respect to calculating Interim Relative TRS and Final Relative TRS, respectively; in each case as calculated by an independent consultant engaged by the Committee and as approved by the Committee in its reasonable discretion.

“ **Person** ” means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or “group” (as defined in the Exchange Act).

“ REIT Shares Amount ” has the meaning set forth in the Partnership Agreement.

“ **Relative Threshold Amount** ” means an amount calculated in the same manner as the Threshold Amount provided that instead of the TRS Percentage the Peer Group Return Percentage shall be utilized in calculating the Threshold Amount.

“ **Second Valuation Date** ” means June 2, 2017.

“ **Securities Act** ” means the Securities Act of 1933, as amended.

“ **Subsidiary** ” means any corporation or other entity (other than the Company) in which the Company has more than a fifty percent (50%) interest, either directly or indirectly.

“ **Threshold Amount** ” means for each measurement period an amount equal to the sum of: (A) the Adjusted Market Cap; plus (B) an amount equal to (i) seven percent (7%) multiplied by the Adjusted Market Cap for each annual measurement period, (ii) fourteen percent (14%) multiplied by the Adjusted Market Cap for purposes of calculating Interim Absolute TRS and (iii) twenty-one percent (21%) multiplied by the Adjusted Market Cap for purposes of calculating the Final Absolute TRS Amount; plus (C) the value of any Additional Shares issued since the start of the measurement period (based on the spot closing prices on the issuance dates of the Additional Shares); plus (D) an amount equal to the proportional required return (based on a non-compounded daily rate of .0001918) from the issuance dates of the Additional Shares to the end of the measurement period on the values of the Additional Shares from (C) above; plus (E) the number of Buyback Shares bought back since the start of the measurement period multiplied by the spot closing price at the start of the measurement period (or $9.50 for measurement periods beginning on the Effective Date); plus (F) an amount equal to the proportional required return (based on a non-compounded daily rate of .0001918) from the start of the measurement period to the buyback dates of the Buyback Shares on the values of the Buyback Shares from (E) above.

" **Total Outperformance Amount** " means, as of the Final Valuation Date, a dollar amount equal to the algebraic sum of: (A) the Final Absolute TRS Amount, (B) the Final Relative TRS Amount, (C) the Annual Amounts determined as of each Valuation Date and (D) the Interim Amount; provided that (i) if the resulting amount is a negative number, the Total Outperformance Amount shall be zero, and (ii) in no event shall the Total Outperformance Amount exceed the Maximum Total Outperformance Amount. For the avoidance of doubt, the Total Outperformance Amount is based on (i) the Annual Amounts granted at the First, Second and Final Valuation Dates, plus (ii) the Interim Amount less any Annual Amounts granted at the First and Second Valuation Dates, plus (iii) the sum of the Final Absolute TRS Amount plus the Final Relative TRS Amount, less any Annual Amounts granted at the First, Second and Third Valuation Dates and any Interim Amount granted at the Second Valuation Date, but not less than zero and not greater than the Maximum Total Outperformance Amount.

" **Total Return** " means (without double-counting), as of a particular date of determination, a dollar amount equal to the sum of: (A) the Total Shares as of such date of determination multiplied by the Common Stock Price as of such date, plus (B) an amount equal to the sum of the total dividends and other distributions declared between the beginning of the applicable measuring period and such date of determination so long as the "ex-dividend" date with respect thereto falls prior to such date of determination (excluding dividends and distributions paid in the form of additional shares of Common Stock or Partnership Units), in respect of the Total Shares as of such date of determination (it being understood, for the avoidance of doubt, that such total dividends and distributions shall be calculated by reference to actual securities outstanding as of each record date with respect to each applicable dividend or distribution payment date, and not by multiplying the aggregate amount of distributions paid on one OP Unit that was outstanding as of the Effective Date between the Effective Date and such date of determination by the number of Total Shares as of the date of determination), plus (C) the value of any Buyback Shares redeemed from the start of the measurement period to the date of determination (based on the spot closing prices on the buyback dates of the Buyback Shares).

" **Total Shares** " means (without double-counting), as of a particular date of determination, the algebraic sum of: (A) the Initial Shares, plus (B) the Additional Shares, minus (C) all Buyback Shares repurchased or redeemed between the Effective Date and such date of determination.

" **Total OPP Unit Equivalent** " means the aggregate of (i) the sum of Annual OPP Unit Equivalents and the Interim OPP Unit Equivalent (the " **Earned Annual and Interim OPP Unit Equivalents** ") and (ii) the excess (if any) of the Final OPP Unit Equivalent over the Earned Annual and Interim OPP Unit Equivalents.

" **Transactional Change of Control** " means (A) a Change of Control described in clause (i) of the definition thereof where the Person makes a tender offer for Common Stock, (B) a Change of Control described in clause (ii) of the definition thereof where the Company is not the surviving entity, or (C) a Change of Control described in clause (iii) of the definition thereof.

" **Transfer** " has the meaning set forth in Section 7 hereof.

“ **TRS Percentage** ” means, with respect to the Company, the cumulative total percentage return per share achieved by one share of the Company’s Common Stock for each applicable measurement period, assuming contemporaneous reinvestment in Common Stock of all dividends and other distributions, as calculated by an independent consultant engaged by the Committee, which calculation shall be approved by the Committee in its reasonable discretion.

“ **Valuation Date** ” means the First Valuation Date, the Second Valuation Date and the Final Valuation Date, as applicable.

EXHIBIT B

ELECTION TO INCLUDE IN GROSS INCOME IN YEAR OF TRANSFER OF PROPERTY PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and taxpayer identification number of the undersigned are:

   Name: Global Net Lease Advisors, LLC (the " Taxpayer ")

   Address:

   ____

   Social Security No./Taxpayer Identification No.: ___-___-___

2. Description of property with respect to which the election is being made: _____ LTIP Units in Global Net Lease Operating Partnership, L.P. (the " Partnership ").

3. The date on which the LTIP Units were transferred is [•], 2015. The taxable year to which this election relates is calendar year 2015.

4. Nature of restrictions to which the LTIP Units are subject:

   (a) With limited exceptions, until the LTIP Units vest, the Taxpayer may not transfer in any manner any portion of the LTIP Units without the consent of the Partnership.

   (b) The Taxpayer's LTIP Units vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested LTIP Units are forfeited in accordance with the vesting provisions described in the Schedule attached hereto.

5. The fair market value at time of transfer (determined without regard to any restrictions other than restrictions which by their terms will never lapse) of the LTIP Units with respect to which this election is being made was $[•] per LTIP Unit.

6. The amount paid by the Taxpayer for the LTIP Units was $0 per LTIP Unit.

7. A copy of this statement has been furnished to the Partnership and Global Net Lease, Inc.

   Dated: ______________________________ Name: ______________________________

SCHEDULE TO EXHIBIT B

Vesting Provisions of LTIP Units

The LTIP Units are subject to time-based and performance-based vesting with the final vesting percentage equaling the product of the time-based vesting percentage and the performance-based vesting percentage. Performance-based vesting will be from 0% to 100% based (i) 50% on Global Net Lease, Inc.'s (the "Company's") per-share total return to shareholders and (ii) 50% on total return against the total percentage return to stock holders of a specified peer group, in each case for the period from [•], 2016 to [•], 2018 (or earlier in certain circumstances). Under the time-based vesting hurdles, one-third (1/3) of the LTIP Units will vest on June 2, 2018, one-third (1/3) of the LTIP Units will vest on June 2, 2019, and the remaining one-third (1/3) of the LTIP Units will vest on June 2, 2020, provided that the Taxpayer continues its service relationship with the Company and the Partnership through such dates, subject to acceleration in the event of certain extraordinary transactions or termination of the Taxpayer's service relationship with the Company under specified circumstances. Unvested LTIP Units are subject to forfeiture in the event of failure to vest based on the determination of the performance-based percentage or the passage of time.

Exhibit 10.44

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT ("Agreement") is made and entered into as of the 16 th day of December, 2015, by and between Global Net Lease, Inc., a Maryland corporation (the "Company"), and Timothy Salvemini (the "Indemnitee").

WHEREAS, at the request of the Company, Indemnitee currently serves as a director, officer or service provider of the Company and may, therefore, be subjected to claims, suits or proceedings arising as a result of his or her service; and

WHEREAS, as an inducement to Indemnitee to serve or continue to serve as a director, officer or service provider, the Company has agreed to indemnify Indemnitee and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the maximum extent permitted by law; and

WHEREAS, the parties by this Agreement desire to set forth their agreement regarding indemnification and advance of expenses;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions . For purposes of this Agreement:

(a) "Change in Control" means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred if, after the Effective Date (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 15% or more of the combined voting power of all of the Company's then-outstanding securities entitled to vote generally in the election of directors without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such person's attaining such percentage interest; (ii) the Company is a party to a merger, consolidation, sale of assets, plan of liquidation or other reorganization not approved by at least two-thirds of the members of the Board of Directors then in office, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) at any time, a majority of the members of the Board of Directors are not individuals (A) who were directors as of the Effective Date or (B) whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by the affirmative vote of at least two-thirds of the directors then in office who were directors as of the Effective Date or whose election or nomination for election was previously so approved.

(b) "Corporate Status" means the status of a person as a present or former director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company. As a clarification and without limiting the circumstances in which Indemnitee may be serving at the request of the Company, service by Indemnitee shall be deemed to be at the request of the Company: (i) if Indemnitee serves or served as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise (1) of which a majority of the voting power or equity interest is owned directly or indirectly by the Company or (2) the management of which is controlled directly or indirectly by the Company and (ii) if, as a result of Indemnitee's service to the Company or any of its affiliated entities, Indemnitee is subject to duties by, or required to perform services for, an employee benefit plan or its participants or beneficiaries, including as deemed fiduciary thereof.

(c) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification and/or advance of Expenses is sought by Indemnitee.

(d) “Effective Date” means the date set forth in the first paragraph of this Agreement.

(e) “Expenses” means any and all reasonable and out-of-pocket attorneys’ fees and costs, retainers, court costs, arbitration and mediation costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties and any other disbursements or expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in or otherwise participating in a Proceeding. Expenses shall also include Expenses incurred in connection with any appeal resulting from any Proceeding including, without limitation, the premium for, security for and other costs relating to any cost bond supersedeas bond or other appeal bond or its equivalent.

(f) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements), or (ii) any other party to or participant or witness in the Proceeding giving rise to a claim for indemnification or advance of Expenses hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(g) “Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing, claim, demand, discovery request or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative (formal or informal) nature, including any appeal therefrom, except one pending or completed on or before the Effective Date, unless otherwise specifically agreed in writing by the Company and Indemnitee. If Indemnitee reasonably believes that a given situation may lead to or culminate in the institution of a Proceeding, such situation shall also be considered a Proceeding.

Section 2. Services by Indemnitee . Indemnitee will serve as a director, officer or service provider of the Company. However, this Agreement shall not impose any independent obligation on Indemnitee or the Company to continue Indemnitee’s service to the Company. This Agreement shall not be deemed an employment contract between the Company (or any other entity) and Indemnitee.

Section 3. [RESERVED]

Section 4. General . The Company shall indemnify, and advance Expenses to, Indemnitee (a) as provided in this Agreement and (b) otherwise to the maximum extent permitted by Maryland law in effect on the Effective Date and as amended from time to time; provided, however, that no change in Maryland law shall have the effect of reducing the benefits available to Indemnitee hereunder based on Maryland law as in effect on the Effective Date. The rights of Indemnitee provided in this Section 4 shall include, without limitation, the rights set forth in the other sections of this Agreement, including any additional indemnification permitted by the Maryland General Corporation Law (the “MGCL”), including, without limitation, Section 2-418(g) of the MGCL.

Section 5. Standard for Indemnification . If, by reason of Indemnitee’s Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall indemnify Indemnitee against all judgments, penalties, fines and amounts paid in settlement and all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with any such Proceeding unless it is established by clear and convincing evidence that (a) the act or omission of Indemnitee was material to the matter giving rise to the Proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) Indemnitee actually received an improper personal benefit in money, property or services or (c) in the case of any criminal Proceeding, Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

Section 6. Certain Limits on Indemnification . Notwithstanding any other provision of this Agreement (other than Section 7), Indemnitee shall not be entitled to:

(a) indemnification hereunder if the Proceeding was one by or in the right of the Company and Indemnitee is adjudged, in a final adjudication of the Proceeding not subject to further appeal, to be liable to the Company;

(b) indemnification hereunder if Indemnitee is adjudged, in a final adjudication of the Proceeding not subject to further appeal, to be liable on the basis that personal benefit was improperly received in any Proceeding charging improper personal benefit to Indemnitee, whether or not involving action in the Indemnitee's Corporate Status; or

(c) indemnification or advance of Expenses hereunder if the Proceeding was brought by Indemnitee, unless: (i) the Proceeding was brought to enforce indemnification under this Agreement, and then only to the extent in accordance with and as authorized by Section 13 of this Agreement, or (ii) the Company's charter or Bylaws, a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors or an agreement approved by the Board of Directors to which the Company is a party expressly provide otherwise.

Section 7. Court-Ordered Indemnification . Notwithstanding any other provision of this Agreement, a court of appropriate jurisdiction, upon application of Indemnitee and such notice as the court shall require, may order indemnification of Indemnitee by the Company in the following circumstances:

(a) if such court determines that Indemnitee is entitled to reimbursement under Section 2-418(d)(1) of the MGCL, the court shall order indemnification, in which case Indemnitee shall be entitled to recover the Expenses of securing such reimbursement; or

(b) if such court determines that Indemnitee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not Indemnitee (i) has met the standards of conduct set forth in Section 2-418(b) of the MGCL or (ii) has been adjudged liable for receipt of an improper personal benefit under Section 2-418(c) of the MGCL, the court may order such indemnification contemplated by Section 2-418(d)(2)(ii) of the MGCL.

Section 8. Indemnification for Expenses of an Indemnitee Who is Wholly or Partly Successful . Notwithstanding any other provision of this Agreement, and without limiting any such provision, to the extent that Indemnitee was or is, by reason of his or her Corporate Status, made a party to (or otherwise becomes a participant in) any Proceeding and is successful, on the merits or otherwise, in the defense of such Proceeding, Indemnitee shall be indemnified for all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee under this Section 8 for all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each such claim, issue or matter, allocated on a reasonable and proportionate basis. For purposes of this Section 8, and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 9. Advance of Expenses for an Indemnitee . If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall, without requiring a preliminary determination of Indemnitee's ultimate entitlement to indemnification hereunder, advance all Expenses incurred by or on behalf of Indemnitee in connection with such Proceeding. The Company shall make such advance within ten days after the receipt by the Company of a statement or statements requesting such advance from time to time, whether prior to or after final disposition of such Proceeding and may be in the form of, in the reasonable discretion of the Indemnitee (but without duplication) (a) payment of such Expenses directly to third parties on behalf of Indemnitee, (b) advance of funds to Indemnitee in an amount sufficient to pay such Expenses or (c) reimbursement to Indemnitee for Indemnitee's payment of such Expenses. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written affirmation by Indemnitee and a written undertaking by or on behalf of Indemnitee, in substantially the form attached hereto as Exhibit A or in such form as may be required under applicable law as in effect at the time of the execution thereof. To the extent that Expenses advanced to Indemnitee do not relate to a specific claim, issue or matter in the Proceeding, such Expenses shall be allocated on a reasonable and proportionate basis. The undertaking required by this Section 9 shall be an unlimited general obligation by or on behalf of Indemnitee and shall be accepted without reference to Indemnitee's financial ability to repay such advanced Expenses and without any requirement to post security therefor.

Section 10. Indemnification and Advance of Expenses as a Witness or Other Participant . Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is or may be, by reason of Indemnitee's Corporate Status, made a witness or otherwise asked to participate in any Proceeding, whether instituted by the Company or any other person, and to which Indemnitee is not a party, Indemnitee shall be advanced and indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith within ten days after the receipt by the Company of a statement or statements requesting any such advance or indemnification from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee. In connection with any such advance of Expenses, the Company may require Indemnitee to provide an undertaking and affirmation substantially in the form attached hereto as Exhibit A.

Section 11. Procedure for Determination of Entitlement to Indemnification .

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary or appropriate to determine whether and to what extent Indemnitee is entitled to indemnification. Indemnitee may submit one or more such requests from time to time and at such time(s) as Indemnitee deems appropriate in Indemnitee's sole discretion. The officer of the Company receiving any such request from Indemnitee shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 11(a) above, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall promptly be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, which Independent Counsel shall be selected by Indemnitee and approved by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL, which approval shall not be unreasonably withheld; or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors or, if such a quorum cannot be obtained, then by a majority vote of a duly authorized committee of the Board of Directors consisting solely of one or more Disinterested Directors, (B) if Independent Counsel has been selected by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL and approved by Indemnitee, which approval shall not be unreasonably withheld or delayed, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee or (C) if so directed by the Board of Directors, by the stockholders of the Company, other than directors or officers who are parties to the Proceeding. If it is so determined that Indemnitee is entitled to indemnification, the Company shall make payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary or appropriate to such determination in the discretion of the Board of Directors or Independent Counsel if retained pursuant to clause (ii)(B) of this Section 11(b). Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company shall indemnify and hold Indemnitee harmless therefrom.

(c) The Company shall pay the reasonable fees and expenses of Independent Counsel, if one is appointed.

Section 12. Presumptions and Effect of Certain Proceedings .

(a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall have the burden of overcoming that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, upon a plea of nolo contendere or its equivalent, or entry of an order of probation prior to judgment, does not create a presumption that Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

(c) The knowledge and/or actions, or failure to act, of any other director, officer, employee or agent of the Company or any other director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise shall not be imputed to Indemnitee for purposes of determining any other right to indemnification under this Agreement.

Section 13. Remedies of Indemnitee .

(a) If (i) a determination is made pursuant to Section 11(b) of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advance of Expenses is not timely made pursuant to Sections 9 or 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 11(b) of this Agreement within 60 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 8 or 10 of this Agreement within ten days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to any other section of this Agreement or the charter or Bylaws of the Company is not made within ten days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication in an appropriate court located in the State of Maryland, or in any other court of competent jurisdiction, of Indemnitee’s entitlement to such indemnification or advance of Expenses. Alternatively, Indemnitee, at Indemnitee’s option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence a proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 13(a); provided, however, that the foregoing clause shall not apply to a proceeding brought by Indemnitee to enforce his or her rights under Section 8 of this Agreement. Except as set forth herein, the provisions of Maryland law (without regard to its conflicts of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration.

(b) In any judicial proceeding or arbitration commenced pursuant to this Section 13, Indemnitee shall be presumed to be entitled to indemnification or advance of Expenses, as the case may be, under this Agreement and the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advance of Expenses, as the case may be. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 13, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 9 of this Agreement until a final determination is made with respect to Indemnitee’s entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed). The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all of the provisions of this Agreement.

(c) If a determination shall have been made pursuant to Section 11(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in connection with the request for indemnification that was not disclosed in connection with the determination.

(d) In the event that Indemnitee is successful in seeking, pursuant to this Section 13, a judicial adjudication of or an award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company for, any and all Expenses actually and reasonably incurred by him or her in such judicial adjudication or arbitration. If it shall be determined in such judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advance of Expenses sought, the Expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

(e) Interest shall be paid by the Company to Indemnitee at the maximum rate allowed to be charged for judgments under the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for amounts which the Company pays or is obligated to pay for the period (i) commencing with either the tenth day after the date on which the Company was requested to advance Expenses in accordance with Sections 9 or 10 of this Agreement or the 60 th day after the date on which the Company was requested to make the determination of entitlement to indemnification under Section 11(b) of this Agreement, as applicable, and (ii) and ending on the date such payment is made to Indemnitee by the Company.

Section 14. Defense of the Underlying Proceeding .

(a) Indemnitee shall notify the Company promptly in writing upon being served with any summons, citation, subpoena, complaint, indictment, request or other document relating to any Proceeding which may result in the right to indemnification or the advance of Expenses hereunder and shall include with such notice a description of the nature of the Proceeding and a summary of the facts underlying the Proceeding. The failure to give any such notice shall not disqualify Indemnitee from the right, or otherwise affect in any manner any right of Indemnitee, to indemnification or the advance of Expenses under this Agreement unless the Company's ability to defend in such Proceeding or to obtain proceeds under any insurance policy is materially and adversely prejudiced thereby, and then only to the extent the Company is thereby actually so prejudiced.

(b) Subject to the provisions of the last sentence of this Section 14(b) and of Section 14(c) below, the Company shall have the right to defend Indemnitee in any Proceeding which may give rise to indemnification hereunder; provided, however, that the Company shall notify Indemnitee of any such decision to defend within 15 calendar days following receipt of notice of any such Proceeding under Section 14(a) above. The Company shall not, without the prior written consent of Indemnitee, which shall not be unreasonably withheld or delayed, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnitee, (ii) does not include, as an unconditional term thereof, the full release of Indemnitee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnitee, or (iii) would impose any Expense, judgment, fine, penalty or limitation on Indemnitee. This Section 14(b) shall not apply to a Proceeding brought by Indemnitee under Section 13 of this Agreement.

(c) Notwithstanding the provisions of Section 14(b) above, if in a Proceeding to which Indemnitee is a party by reason of Indemnitee's Corporate Status, (i) Indemnitee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld or delayed, that Indemnitee may have separate defenses or counterclaims to assert with respect to any issue which may not be consistent with other defendants in such Proceeding, (ii) Indemnitee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld or delayed, that an actual or apparent conflict of interest or potential conflict of interest exists between Indemnitee and the Company, or (iii) if the Company fails to assume the defense of such Proceeding in a timely manner, Indemnitee shall be entitled to be represented by separate legal counsel of Indemnitee's choice, subject to the prior approval of the Company, which approval shall not be unreasonably withheld or delayed, at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding to deny or to recover from Indemnitee the benefits intended to be provided to Indemnitee hereunder, Indemnitee shall have the right to retain counsel of Indemnitee's choice, subject to the prior approval of the Company, which approval shall not be unreasonably withheld or delayed, at the expense of the Company (subject to Section 13(d) of this Agreement), to represent Indemnitee in connection with any such matter.

Section 15. Non-Exclusivity; Survival of Rights; Subrogation .

(a) The rights of indemnification and advance of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the charter or Bylaws of the Company, any agreement or a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors, or otherwise. Unless consented to in writing by Indemnitee, no amendment, alteration or repeal of the charter or Bylaws of the Company, this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal, regardless of whether a claim with respect to such action or inaction is raised prior or subsequent to such amendment, alteration or repeal. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right or remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder, or otherwise, shall not prohibit the concurrent assertion or employment of any other right or remedy.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

Section 16. Insurance . (a) The Company will use its reasonable best efforts to acquire directors and officers liability insurance, on terms and conditions deemed appropriate by the Board of Directors, with the advice of counsel, covering Indemnitee or any claim made against Indemnitee by reason of Indemnitee’s Corporate Status and covering the Company for any indemnification or advance of Expenses made by the Company to Indemnitee for any claims made against Indemnitee by reason of Indemnitee’s Corporate Status. In the event of a Change in Control, the Company shall maintain in force any and all directors and officers liability insurance policies that were maintained by the Company immediately prior to the Change in Control for a period of six years with the insurance carrier or carriers and through the insurance broker in place at the time of the Change in Control; provided, however, (i) if the carriers will not offer the same policy and an expiring policy needs to be replaced, a policy substantially comparable in scope and amount shall be obtained and (ii) if any replacement insurance carrier is necessary to obtain a policy substantially comparable in scope and amount, such insurance carrier shall have an AM Best rating that is the same or better than the AM Best rating of the existing insurance carrier; provided, further, however, in no event shall the Company be required to expend in the aggregate in excess of 250% of the annual premium or premiums paid by the Company for directors and officers liability insurance in effect on the date of the Change in Control. In the event that 250% of the annual premium paid by the Company for such existing directors and officers liability insurance is insufficient for such coverage, the Company shall spend up to that amount to purchase such lesser coverage as may be obtained with such amount.

(b) Without in any way limiting any other obligation under this Agreement, the Company shall indemnify Indemnitee for any payment by Indemnitee which would otherwise be indemnifiable hereunder arising out of the amount of any deductible or retention and the amount of any excess of the aggregate of all judgments, penalties, fines, settlements and Expenses incurred by Indemnitee in connection with a Proceeding over the coverage of any insurance referred to in Section 16(a). The purchase, establishment and maintenance of any such insurance shall not in any way limit or affect the rights or obligations of the Company or Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights or obligations of the Company under any such insurance policies. If, at the time the Company receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise) the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

(c) The Indemnitee shall cooperate with the Company or any insurance carrier of the Company with respect to any Proceeding.

Section 17. Coordination of Payments . The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as Expenses hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 18. Contribution . If the indemnification provided in this Agreement is unavailable in whole or in part and may not be paid to Indemnitee for any reason, other than for failure to satisfy the standard of conduct set forth in Section 5 or due to the provisions of Section 6, then, in respect to any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), to the fullest extent permissible under applicable law, the Company, in lieu of indemnifying and holding harmless Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for Expenses, judgments, penalties, and/or amounts paid or to be paid in settlement, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

Section 19. Reports to Stockholders . To the extent required by the MGCL, the Company shall report in writing to its stockholders the payment of any amounts for indemnification of, or advance of Expenses to, Indemnitee under this Agreement arising out of a Proceeding by or in the right of the Company with the notice of the meeting of stockholders of the Company next following the date of the payment of any such indemnification or advance of Expenses or prior to such meeting.

Section 20. Duration of Agreement; Binding Effect .

(a) This Agreement shall continue until and terminate on the later of (i) the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company and (ii) the date that Indemnitee is no longer subject to any actual or possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 13 of this Agreement).

(b) The indemnification and advance of Expenses provided by, or granted pursuant to, this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company, and shall inure to the benefit of Indemnitee and Indemnitee’s spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(c) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(d) The Company and Indemnitee agree that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which Indemnitee may be entitled. Indemnitee shall further be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertakings in connection therewith. The Company acknowledges that, in the absence of a waiver, a bond or undertaking may be required of Indemnitee by a court, and the Company hereby waives any such requirement of such a bond or undertaking.

Section 21. Severability. If any provision or provisions of this Agreement shall be held to be invalid, void, illegal or otherwise unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 22. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. One such counterpart signed by the party against whom enforceability is sought shall be sufficient to evidence the existence of this Agreement.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor, unless otherwise expressly stated, shall such waiver constitute a continuing waiver.

Section 25. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, on the day of such delivery, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee, to the address set forth on the signature page hereto.

(b) If to the Company, to:

Global Net Lease, Inc.
405 Park Avenue, 14th Floor
New York, NY 10022
Attn: General Counsel

or to such other address as may have been furnished in writing to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 26. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without regard to its conflicts of laws rules.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GLOBAL NET LEASE, INC.

By: /s/ Scott J. Bowman
Name: Scott J. Bowman
Title: Chief Executive Officer

INDEMNITEE

By: /s/ Timothy Salvemini
Name: Timothy Salvemini

EXHIBIT A

AFFIRMATION AND UNDERTAKING TO REPAY EXPENSES ADVANCED

To: The Board of Directors of Global Net Lease, Inc.

Re: Affirmation and Undertaking

Ladies and Gentlemen:

This Affirmation and Undertaking is being provided pursuant to that certain Indemnification Agreement, dated the 16 th day of December, 2015, by and between Global Net Lease, Inc., a Maryland corporation (the “Company”), and the undersigned Indemnitee (the “Indemnification Agreement”), pursuant to which I am entitled to advance of Expenses in connection with **[Description of Proceeding]** (the “Proceeding”).

Terms used herein and not otherwise defined shall have the meanings specified in the Indemnification Agreement.

I am subject to the Proceeding by reason of my Corporate Status or by reason of alleged actions or omissions by me in such capacity. I hereby affirm my good faith belief that at all times, insofar as I was involved as a director of the Company, in any of the facts or events giving rise to the Proceeding, I (1) did not act with bad faith or active or deliberate dishonesty, (2) did not receive any improper personal benefit in money, property or services and (3) in the case of any criminal proceeding, had no reasonable cause to believe that any act or omission by me was unlawful.

In consideration of the advance by the Company for Expenses incurred by me in connection with the Proceeding (the “Advanced Expenses”), I hereby agree that if, in connection with the Proceeding, it is established that (1) an act or omission by me was material to the matter giving rise to the Proceeding and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty or (2) I actually received an improper personal benefit in money, property or services or (3) in the case of any criminal proceeding, I had reasonable cause to believe that the act or omission was unlawful, then I shall promptly reimburse the portion of the Advanced Expenses, relating to the claims, issues or matters in the Proceeding as to which the foregoing findings have been established.

IN WITNESS WHEREOF, I have executed this Affirmation and Undertaking on this _____ day of _______________, 20____.

____

Name:

Exhibit 14.1

GLOBAL NET LEASE, INC.

SECOND AMENDED AND RESTATED CODE OF BUSINESS CONDUCT AND ETHICS

As Adopted on February 17, 2016

OVERVIEW

This Code of Business Conduct and Ethics (this " **Code** ") sets forth the guiding principles by which we operate our company and conduct our daily business with our stockholders, customers, vendors and with each other. These principles apply to all of the directors, officers and employees of Global Net Lease, Inc. and its subsidiaries (referred to in this Code as the " **Company** ").

The Board of Directors of the Company has adopted this Code in order to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the Company;
- compliance with applicable governmental rules and regulations; and
- accountability for adherence to this Code.

PRINCIPLES

Complying with Laws, Regulations, Policies and Procedures

All directors, officers and employees of the Company are expected to understand, respect and comply with all of the laws, regulations, policies and procedures that apply to them in their positions with the Company. Employees are responsible for talking to their supervisors to determine which laws, regulations and Company policies apply to their position and what training is necessary to understand and comply with them.

Directors, officers and employees are directed to specific policies and procedures available to them and to persons they supervise.

Insider Trading

No director, officer or employee who has access to confidential information may use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. You must always have any sales or acquisitions of the Company's securities pre-approved by the Company's general counsel. If you have any questions, please consult the Company's general counsel.

All directors, officers and employees of the Company should be scrupulous in avoiding any action or interest that conflicts with, or gives the appearance of a conflict with, the Company's interests.

Conflicts of Interest

A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may also arise when a director, officer or employee or a member of his or her family receives improper personal benefits as a result of his or her position with the Company, whether from a third party or from the Company.

Sometimes, conflicts of interest will develop accidentally or unexpectedly, and the appearance of a conflict of interest can also easily arise. If an employee, officer or director has a conflict, actual or potential, the employee, officer or director should report such conflict to higher levels of management, the general counsel, the board of directors or the chief executive officer. Conflicts of interest may not always be clear-cut, so if a question arises, employees, officers or directors should consult with higher levels of management, the general counsel, the board of directors or the chief executive officer.

Any employee, officer or director that becomes aware of a conflict or potential conflict should bring it to the attention of higher levels of management, the general counsel, the board of directors or the chief executive officer. Such communications will be kept confidential to the extent feasible.

Corporate Opportunity

Directors, officers and employees are prohibited from (a) taking for themselves corporate opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company. Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Confidentiality

Employees, officers and directors of the Company must maintain the confidentiality of information entrusted to them by the Company, our suppliers, our business partners and prospective business partners, except when disclosure is either expressly authorized by the Company or required by law. Confidential information includes all non-public information, including information that might be of use to competitors, or harmful to the Company or its suppliers, business partners and prospective business partners, if disclosed. It also includes information that suppliers, business partners and prospective business partners have entrusted to us. The Company expects that each employee, officer and director will preserve all such confidential information even after his or her employment or relationship with the Company ends. In some cases, disclosure of any such confidential information, even after termination of employment or other relationship, may result in civil liability to the individual. All employees, officers and directors must, upon termination of employment or relationship with the Company, return all confidential information to the Company, including originals and copies, whether in electronic or hard copy.

Fair Dealing

The Company seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing or utilizing trade secret information that was obtained without the owner’s consent or inducing such disclosures by past or present employees of other companies is prohibited.

Each director, officer and employee is expected to deal fairly with the Company’s customers, suppliers, tenants, brokers, competitors, officers and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any director, officer or employee of the Company unless: (1) it is not a cash gift, (2) it is consistent with customary business practices, (3) there was a prior social relationship between the parties, (4) it is nominal in value, (5) the gift cannot be construed as a bribe or payoff and (6) it does not violate any laws or regulations. No tickets to events should be offered, given, provided or accepted by any director, officer or employee of the Company unless the party providing the tickets is present at such event or the tickets have been pre-approved by the chief executive officer. Any gifts that are substantial in nature (i.e., with a value of $250 or more, or of relative scarcity, including but limited to, gifts of tickets to major sporting or cultural events) must be pre-approved by the chief executive officer. Please discuss with the chief executive officer any gifts or proposed gifts which you are not certain are appropriate.

Protection and Proper Use of the Company Assets

All employees should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trademarks and copyrights, as well as business, marketing and service plans, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

Payments to Government Personnel

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The Company's general counsel can provide guidance to you in this area.

Public Company Reporting

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Commission (the " **SEC** ") be accurate, timely and in accordance with all applicable laws and regulations. Depending on their position with the Company, an employee, officer or director may be called upon to provide necessary information to assure that the Company's public reports are complete, fair and understandable. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt accurate answers to inquiries related to the Company's public disclosure requirements. However, no employee, officer or director of the Company should respond to inquiries regarding, or otherwise communicate to any outside party, results, forecasts or trends without the prior approval of the chief executive officer.

Financial Statements and Other Records

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must both conform to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Records should always be retained or destroyed according to the Company's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, please consult the board of directors.

Discrimination and Harassment

The diversity of the Company's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment of any kind.

Health and Safety

The Company strives to provide each employee, officer and director with a safe and healthful work environment. Each employee, officer and director has responsibility for maintaining a safe and healthy workplace by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Each employee, officer and director should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

REPORTING ILLEGAL OR UNETHICAL BEHAVIOR

Asking Questions and Voicing Concerns

This Code provides an overview of the legal and ethical responsibilities applicable to employees, officers and directors. Each employee, officer and director is responsible for upholding these responsibilities.

The standards and expectations outlined here are intended to guide such individuals in making the right choices. If any aspect of the Code is unclear, or if any individual has any questions or faces a situation that is not addressed herein, they should bring them to the Company's attention. The Company recognizes that in some situations it is difficult to know right from wrong. Since this Code cannot anticipate every situation that will arise, it is important that the Company have a way to approach a new question or problem. Each employee, officer and director should keep the following steps and questions to keep in mind:

- Make sure you have all the facts . To reach the right solutions, we must be as fully informed as possible.
- Ask yourself : What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

- Clarify your responsibility and role . In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

- Discuss the problem with your supervisor . This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.

- Seek help from Company resources . In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it:

  - *First* , by reporting to our general counsel at 1 (844) 254-3064. All submissions will be reviewed by the Company's general counsel and chairman of the audit committee.

  - *Second* , with any applicable chief risk officer.

  - *Third* , if your conversation with such chief risk officer is not satisfactory, with the chairman of the audit committee.

- Seek help from the Company resources online . The Company has established a secure website using ethicspoint.com, which is available at globalnetlease.com/corporate-responsibility.html. The website is be hosted by a third-party vendor on secure servers. You may make a report by following the link on that website; that report will be monitored by the Company's general counsel and brought to the attention of the chairman of the audit committee.

- Always ask first, act later . If you are unsure of what to do in any situation, seek guidance before you act.

Duty to Report

Employees, officers and directors who suspect or know of violations of this Code or illegal or unethical business or workplace conduct by employees, officers or directors have a duty to report it immediately. Each person is encouraged to report such conduct to a supervisor or superior, but if the individuals to whom such information is conveyed are not responsive, or if there is reason to believe that reporting to such individuals is inappropriate in particular cases, then the employee, officer or director may contact chief risk officer or general counsel of the Company. Such communications will be kept in confidence to the extent appropriate or permitted by law. If the employee is still not satisfied with the response, the employee may contact the chairman of the audit committee or any of the other members of the audit committee. While employees, officers and directors are encouraged to use the Company's internal reporting system outlined, above, in all cases, employees, directors and officers may directly report such violations outside the Company to appropriate authorities in accordance with law.

The Company's policy is to comply with all applicable financial reporting and accounting regulations. If any director, officer or employee of the Company has unresolved concerns or complaints regarding questionable accounting or auditing matters of the Company, then he or she is encouraged to submit those concerns anonymously to the Company's general counsel at 1 (844) 254-3064. Subject to its legal duties, the Company's general counsel and chairman of the audit committee will treat such submissions confidentially. Such submissions may be directed to the attention of the Company's audit committee, any director who is a member of the Company's audit committee or the general counsel.

Each director, officer and employee who is involved in the Company's periodic reports and other documents filed with the SEC, including all financial statements and other financial information, must comply with applicable federal securities laws and SEC regulations. Each director, officer and employee who is involved in the Company's public disclosure process must: (a) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and (b) take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

As noted above, the Company has made a telephone hotline available for reporting illegal or unethical behavior as well as questionable accounting or auditing matters and other accounting, internal accounting controls or auditing matters on a confidential, anonymous basis. Please call the general counsel of the Company at 1 (844) 254-3064 to report such matters anonymously. Any concerns regarding accounting or auditing matters reported to this hotline will be reviewed by the Company's general counsel and communicated directly to the chairman of the audit committee.

When reporting a concern, an individual should supply sufficient information so that the matter may be investigated properly. As the ultimate objective of any investigation is to uncover the truth, any employee, officer or director who is found to have lied during an internal investigation will be subject to appropriate discipline, which could include immediate termination without compensation for that act of dishonesty. Full cooperation is expected both from anyone who is suspected or accused of improper conduct and from anyone who makes accusations against somebody else. Any information provided by an employee, officer or director will be handled in a confidential manner to the greatest extent possible. Moreover, as described below, the Company prohibits retaliation for reporting illegal or unethical behavior.

Any person involved in any investigation in any capacity of a possible misconduct must not discuss or disclose any information to anyone outside of the investigation unless required or permitted by law or when seeking his or her own legal advice, and is expected to cooperate fully in any investigation.

Any use of these reporting procedures in bad faith or in a false or frivolous manner will be considered a violation of this Code. Further, these reporting methods should not be used for personal grievances not involving this Code.

Non-Retaliation

The Company prohibits retaliation of any kind against individuals who have made good faith reports or complaints of violations of this Code or other known or suspected illegal or unethical conduct. Specifically, the Company will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee for lawfully reporting internally or to appropriate authorities, or providing information or assistance in an investigation regarding misconduct. Any employee, officer or director who retaliates against another employee, officer or director for reporting known or suspected violations of legal or ethical obligations will be in violation of this Code and subject to disciplinary action, up to and including dismissal. Such retaliation may also be a violation of the law, and as such, could subject both the individual offender and the Company to legal liability.

AMENDMENT, MODIFICATION AND WAIVER

This Code may be amended or modified by the board of directors of the Company, after receiving appropriate recommendation from any relevant committee, as appropriate. Only the board of directors or a committee of the board of directors with specific delegated authority may grant waivers of this Amended and Restated Code of Business Conduct and Ethics. Any waivers will be promptly disclosed as required by law or stock exchange regulation.

VIOLATIONS

Violation of this Code is grounds for disciplinary action up to and including termination of employment. Such action is in addition to any civil or criminal liability which might be imposed by any court or regulatory agency.

Exhibit 21.1

Subsidiaries of Global Net Lease, Inc.

Name	Jurisdiction of Formation/Incorporation
ARC ACHNETH001, LLC	Delaware
ARC ALSFDUK001, LLC	Delaware
ARC AMWCHKS001, LLC	Delaware
ARC AMWORUK001, LLC	Delaware
ARC ATSNTTX001, LLC	Delaware
ARC BBWYKUK001, LLC	Delaware
ARC BKSCOUK001, LLC	Delaware
ARC CABIRUK001, LLC	Delaware
ARC CCLTRUK001, LLC	Delaware
ARC CJHSNTX001, LLC	Delaware
ARC CSVBTMI001, LLC	Delaware
ARC CTFTMSC001, LLC	Delaware
ARC CWARANE001, LLC	Delaware
ARC CWGRDMI001, LLC	Delaware
ARC CWRVTILI001, LLC	Delaware
ARC CWSALKS001, LLC	Delaware
ARC CWUVLOH001, LLC	Delaware
ARC CWVININ001, LLC	Delaware
ARC CWWPKMN001, LLC	Delaware
ARC DBGESRG001, LLC	Delaware
ARC DBGWSDG001, LLC	Delaware
ARC DFSMCUK001, LLC	Delaware
ARC DFSMCUK001, LLC	Delaware
ARC DG40PCK001, LLC	Delaware
ARC DINCNOH001, LLC	Delaware
ARC DNDUBOH001, LLC	Delaware
ARC DRINDIN001, LLC	Delaware
ARC EEMTRUK001, LLC	Delaware
ARC FD34PCK001, LLC	Delaware
ARC FD73SLB001, LLC	Delaware
ARC FEAMOTX001, LLC	Delaware
ARC FEBHMNY001, LLC	Delaware
ARC FEBILMA001, LLC	Delaware
ARC FECPEMA001, LLC	Delaware
ARC FEHBRKY001, LLC	Delaware
ARC FELEXKY001, LLC	Delaware
ARC FELKCLA001, LLC	Delaware
ARC FESANTX001, LLC	Delaware
ARC FEWNAMN001, LLC	Delaware
ARC FEWTRNY001, LLC	Delaware

ARC FSMCHIL001, LLC	Delaware
ARC FUMANUK001, LLC	Delaware
ARC GBLMESA001, LLC	Delaware
ARC GBLMESA001, LLC	Delaware
ARC GBLMESA01, LLC	Delaware
ARC GECINOH001, LLC	Delaware
ARC GEGRDMI001, LLC	Delaware
ARC Global Holdco, LLC	Delaware
ARC GRLBKTX001, LLC	Delaware
ARC GRLOUKY001, LLC	Delaware
ARC GRMSAAZ001, LLC	Delaware
ARC GRRALNC001, LLC	Delaware
ARC GSDALTX001, LLC	Delaware
ARC GSDVRDE001, LLC	Delaware
ARC GSFFDME001, LLC	Delaware
ARC GSFRNTN001, LLC	Delaware
ARC GSGTNPA001, LLC	Delaware
ARC GSIFLMN001, LLC	Delaware
ARC GSMSSTX001, LLC	Delaware
ARC GSRNGME001, LLC	Delaware
ARC GSRPCSD001, LLC	Delaware
ARC GSRTNNM001, LLC	Delaware
ARC HPDFS Holdco, LLC	Delaware
ARC HPNEWUK001, LLC	Delaware
ARC HVHELFI001, LLC	Delaware
ARC IAREDUK001, LLC	Delaware
ARC JTCHATN001, LLC	Delaware
ARC JTCHATN002, LLC	Delaware
ARC KPHTNNE001, LLC	Delaware
ARC KSFTWPA001, LLC	Delaware
ARC KUSTHMI001, LLC	Delaware
ARC LPSBDIN001, LLC	Delaware
ARC MCCARUK001, LLC	Delaware
ARC MEROXUK01, LLC	Delaware
ARC METHAGER01, LLC	Delaware
ARC MKMDNNJ001, LLC	Delaware
ARC MPSTLMO001, LLC	Delaware
ARC NNMFBTN001, LLC	Delaware
ARC NOPLNTX001, LLC	Delaware
ARC NOWILND001, LLC	Delaware
ARC NRSLDUK001, LLC	Delaware
ARC NSSNJCA001, LLC	Delaware
ARC OBMYNGER01, LLC	Delaware

ARC OGHDGMD001, LLC	Delaware
ARC PFBFDUK001, LLC	Delaware
ARC PNEREPA001, LLC	Delaware
ARC PNSCRPA001, LLC	Delaware
ARC PPHHTKY001, LLC	Delaware
ARC REXREGER01, LLC	Delaware
ARC RMNUSGER01, LLC	Delaware
ARC SANPLFL001, LLC	Delaware
ARC SLKRCP001 LLC	Delaware
ARC SLSTCCA001, LLC	Delaware
ARC SPHRSNJ001 Urban Renewal Entity, LLC	Delaware
ARC SWWSVOH001, LLC	Delaware
ARC SZPTNNJ001, LLC	Delaware
ARC TFDTPIA001, LLC	Delaware
ARC TFKMZMI001, LLC	Delaware
ARC TKMANUK001, LLC	Delaware
ARC TOMANFI001, LLC	Delaware
ARC TRLIVMI001, LLC	Delaware
ARC TWSWDUK001, LLC	Delaware
ARC VALWDCO001, LLC	Delaware
ARC VCLIVMI001, LLC	Delaware
ARC WHAMSNE001, LLC	Delaware
ARC WIODSTX001, LLC	Delaware
ARC WKBPLUK001, LLC	Delaware
ARC WKMCRUK001, LLC	Delaware
ARC WKSOTUK001, LLC	Delaware
ARC WMWSLNC001, LLC	Delaware
ARC WNBRNMO001, LLC	Delaware
ARC WWHWCMI001, LLC	Delaware
Global Net Lease Operating Partnership, L.P.	Delaware
ROCHESSGER01, LLC	Delaware
ROCHESSGER02, LLC	Delaware
ROCHESSGER03, LLC	Delaware

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Scott J. Bowman , certify that:

1. I have reviewed this Annual Report on Form 10-K of Global Net Lease, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated the 29th day of February, 2016

/s/ Scott J. Bowman

Scott J. Bowman
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Timothy Salvemini, certify that:

1. I have reviewed this Annual Report on Form 10-K of Global Net Lease, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated the 29th day of February, 2016

/s/ Timothy Salvemini

Timothy Salvemini

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32

SECTION 1350 CERTIFICATIONS

This Certificate is being delivered pursuant to the requirements of Section 1350 of Chapter 63 (Mail Fraud) of Title 18 (Crimes and Criminal Procedures) of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

The undersigned, who are the Chief Executive Officer and Chief Financial Officer of Global Net Lease, Inc. (the "Company"), each hereby certify as follows:

The annual report on Form 10-K of the Company, which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in this quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated the 29th day of February, 2016

/s/ Scott J. Bowman

Scott J. Bowman
Chief Executive Officer
(Principal Executive Officer)

/s/ Timothy Salvemini

Timothy Salvemini

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)