American Realty Capital Trust, Inc.
Form POS AM
September 11, 2009

As filed with the Securities and Exchange Commission on September 11, 2009

Registration No. 333-145949

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

n

PRE-EFFECTIVE AMENDMENT NO. 2 TO
POST-EFFECTIVE AMENDMENT NO. 5 TO
FORM S-11
FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

n

AMERICAN REALTY CAPITAL TRUST, INC.
(Exact Name of Registrant as Specified in Its Governing Instruments)
106 York Road
Jenkintown, Pennsylvania 19046
(215) 887-2189
(Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Nicholas S. Schorsch
AMERICAN REALTY CAPITAL TRUST, INC.
106 York Road
Jenkintown, Pennsylvania 19046
(215) 887-2189
(Name and Address, Including Zip Code and Telephone Number, Including Area Code, of Agent for Service)

n

With a Copy to:
Peter M. Fass, Esq.
Proskauer Rose LLP
1585 Broadway
New York, New York 10036-8299
(212) 969-3000

n

Approximate Date of Commencement of Proposed Sale to Public: As soon as practicable after the registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If delivery of the prospectus is expected to be made pursuant to Rule 434, check, the following box: o

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

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

This Post-Effective Amendment No. 5 consists of the following:

- Supplement No. 12, dated August 27, 2009, included herewith, which will be delivered as an unattached document along with the Prospectus.

- Registrant's final form of Prospectus dated March 18, 2008, previously filed pursuant to Rule 424(b)(2) on March 18, 2008 and refiled herewith.

- Part II, included herewith.

- Signatures, included herewith.

AMERICAN REALTY CAPITAL TRUST, INC.
SUPPLEMENT NO. 12 DATED August 27, 2009
TO THE PROSPECTUS DATED March 18, 2008

This prospectus supplement (this "Supplement No. 12") is part of the prospectus of American Realty Capital Trust, Inc. (the "REIT"), dated March 18, 2008 (the "Prospectus"), and should be read in conjunction with the Prospectus. This Supplement No. 12 supplements, modifies or supersedes certain information contained in our Prospectus. This Supplement No. 12 consolidates, supersedes and replaces all prior Supplements and must be read in conjunction with our Prospectus. Unless otherwise indicated, the information contained herein is current as of the filing date of the prospectus supplement in which the Company initially disclosed such information. This Supplement No. 12 will be delivered with the Prospectus.

The purpose of this Supplement No. 12 is to consolidate the information contained in all previous supplements to the Prospectus and to update the financial information of the REIT.

TABLE OF CONTENTS

Status of the Offering

We commenced our initial public offering of 150,000,000 shares of common stock on January 25, 2008. As of August 13, 2009, we had issued 6,437,921 shares of common stock, including 339,077 shares issued in connection with an acquisition in March 2008. Total gross proceeds from these issuances were $64,393,404. As of August 13, 2009, the aggregate value of all share issuances and subscriptions outstanding was $64,554,757 based on a per share value of $10.00 (or $9.50 per share for shares issued under the DRIP). We will offer these shares until January 25, 2011, unless the offering is extended, provided that the offering will be terminated if all of the shares are sold before then.

Escrow Break

On July 1, 2009 the Company broke escrow on approximately $1.9 million of subscriptions from investors from Massachusetts and Pennsylvania, which were maintained at the Company's third-party escrow agent, Boston Private Bank & Trust Company, until the Company had sold at least $45 million of shares of common stock.

1

Shares Currently Outstanding

As of August 13, 2009, there were approximately 119 million shares of our common stock outstanding, excluding shares available under the distribution reinvestment plan.

Selected Financial Data

The selected financial data presented below has been derived from our consolidated financial statements as of June 30, 2009 and December 31, 2008:

Balance Sheet Data:	Six Months Ended June 30, 2009	Year Ended December 31, 2008
Total investment in real estate assets, net	$ 158,456,994	$ 161,714,182
Cash	3,429,763	886,868
Restricted cash	44,729	47,937
Prepaid expenses and other assets	5,150,018	2,293,464
Total assets	167,081,504	164,942,451
Mortgage notes payable	112,249,667	112,741,810
Short-term bridge funds	3,053,172	30,925,959
Long-term notes payable	13,000,000	1,089,500
Investor contributions held in escrow	30,824	30,824
Total liabilities	141,959,110	163,183,128
Total stockholders’ equity	25,122,394	1,759,323
Total liabilities and stockholders’ equity	167,081,504	164,942,451
Operating Data:		
Rental income	5,862,009	5,546,363
Property management fees to affiliate	--	4,230
Operating income	2,204,580	2,105,615
Interest expense	(4,770,129)	(4,773,593)
Net loss	(2,011,604)	(4,282,784)
Cash Flow Data		
Net cash (used in) provided by operating activities	(4,344,227)	4,012,739
Net cash used in investing activities	(162,619)	(97,456,132)
Net cash provided by financing activities	7,049,741	94,330,261

Suitability Standards

The following description of suitability standards replaces the suitability standards described for Michigan, Massachusetts, Ohio, Iowa, Oregon and Pennsylvania on page (i) of the Prospectus.

Massachusetts, Ohio, Iowa, Pennsylvania and Oregon – Investors must have either (a) a minimum net worth of at least $250,000 or (b) an annual gross income of at least $70,000 and a net worth of at least $70,000. The maximum investment in the issuer and its affiliates cannot exceed 10% of the Massachusetts, Ohio, Iowa, Pennsylvania or Oregon resident’s net worth.

Michigan - Investors must have either (a) a minimum net worth of at least $250,000 or (b) an annual gross income of at least $70,000 and a net worth of at least $70,000. The maximum investment in the issuer cannot exceed 10% of the Michigan resident’s net worth.

Similarly, the description of suitability standards for the above states in the Item 5 of the Subscription Agreement is replaced with the following:

For residents of Massachusetts, Ohio, Iowa, Pennsylvania and Oregon – Investors must have either (a) a minimum net worth of at least $250,000 or (b) an annual gross income of at least $70,000 and a net worth of at least $70,000. The investor's maximum investment in the issuer and its affiliates cannot exceed 10% of the Massachusetts, Ohio, Pennsylvania or Oregon resident's net worth.

For residents of Michigan – Investors must have either (a) a minimum net worth of at least $250,000 or (b) an annual gross income of at least $70,000 and a net worth of at least $70,000. The investor's maximum investment in the issuer cannot exceed 10% of the Michigan resident's net worth.

Real Estate Investments Summary

The following summary of real estate investments as of the date of this Supplement No. 12 information is to supplement the section of our Prospectus captioned "Real Property Investments" on pages 84-89 of the Prospectus.

The REIT acquired a FedEx Cross-Dock facility in Snowshoe, Pennsylvania (the "FedEx Property") as its initial investment on March 5, 2008; 15 Harleysville National Bank and Trust Company ("Harleysville National Bank") bank branch properties in various Pennsylvania locations (the "Harleysville Properties") on March 12, 2008; 18 Rockland Trust Company (the "Rockland Properties") bank branch properties in various Massachusetts locations on May 2, 2008: 2 National City Bank branches in Florida (the "National City Properties") from affiliated parties on September 16, 2008 and October 23, 2008; 6 Rite Aid properties in various locations in Pennsylvania and Ohio (the "Rite Aid Properties") from affiliated parties on September 29, 2008; 50 PNC Bank, National Association bank branches in various locations in Pennsylvania, New Jersey and Ohio (the "PNC Properties") on November 25, 2008; a Fed Ex Freight Facility (the "Fed Ex Freight Facility") located in Houston, TX on July 8, 2009; and a Walgreens location (the "Walgreens Property") located in Sealy, TX. The amount of the Year 1 yield based upon the contract purchase price of the acquired and to-be acquired properties as compared to the Year 1 total rent is approximately 7.99%, which excludes contractual rent increases occurring in future years.

	Purchase Price (1)	Outstanding Mortgage Debt	Interest Rate (2)	Portfolio-Level Leverage	Rent Year 1	Rent Year 2	Base Rent Increase (Year 2) (3)
Federal Express Distribution Center (PA)	10,207,674	6,965,000	6.29%		702,828	702,828	
Harleysville National Bank Portfolio	41,675,721	31,000,000	6.59%		3,003,838	3,063,912	
Rockland Trust Company Portfolio	33,117,419	23,880,175	4.92%		2,305,816	2,340,403	
PNC Bank (formerly National City Bank)	6,853,419	4,447,953	4.89%		466,465	466,465	
Rite Aid Portfolio	18,839,392	12,808,265	6.97%		1,404,226	1,404,226	
PNC Bank Portfolio	44,813,074	33,148,274	5.25%		2,960,000	2,960,000	
Fed Ex Freight Facility (TX)	31,610,450	-			2,580,315	2,580,315	

(5) Walgreens Location	3,817,733	1,550,000	6.55%		310,000	310,000	
Total Portfolio	190,934,882	113,799,667		59.6%	13,733,488	13,828,149	0.69%
Investment Grade Tenants (based on Rent - S&P BBB- or better)			90.0%				
Average Remaining Lease Term (years) (4)			12.8%				

(1) - Purchase Price includes capitalized closing costs and acquisition fees paid to American Realty Capital Advisors, LLC, as applicable.
(2) - Interest rate includes the effect of in-place hedges.
(3) - Increase does not take into account lease escalations that commence in future years (sixth or eleventh year of primary lease term).
(4) - Primary lease term only, excluding renewal option periods.
(5) - Company entered into a one-year bridge equity facility for approximately $15.9 million. The facility bears interest at an annual rate equal to 5.75%.

3

The following is a summary of lease expirations for the next ten years:

Year	Expiring Revenues	Leases Expiring (1)	Square Feet	% of Gross Rev
2009	$ –	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	–	–	–	–
2013	–	–	–	–
2014	–	–	–	–
2015	–	–	–	–
2016	242,000	2	21,476	1.67%
2017	179,000	1	12,613	1.24%
2018	$4,910,000	59	384,201	33.85%

(1) The 62 leases listed above are with the following tenants: Fed Ex, Rockland Trust Company, PNC Bank and Rite Aid.

Status of Distributions

The following information supplements the “Distribution Policy and Distributions” section on pages 9 and 130-131 of the Prospectus.

On February 25, 2008, our Board of Directors declared a distribution for each monthly period commencing 30 days subsequent to acquiring our initial portfolio of real estate investments. We acquired our initial real estate investment on March 5, 2008. Accordingly, our daily dividend commenced accruing on April 5, 2008. The REIT’s initial distribution payment was paid to shareholders on May 21, 2008 representing dividends accrued from April 5, 2008 through April 30, 2008. Subsequently, we modified the payment date to the 2nd day following each month end to stockholders of record at the close of business each day during the applicable period. The distribution is calculated based on stockholders of record each day during the applicable period at a rate of $0.00178082191 per day, and equals a daily amount that, if paid each day for a 365-day period, would equal a 6.5% annualized rate based on the share price of $10.00. For the period from January 1, 2008 through August 27, 2009 distributions paid totaled $1,583,382, inclusive of $587,547 of common shares issued under the dividend reinvestment plan. Based on the terms of leases with FedEx, Harleysville National Bank, Rockland Trust Company, Rite Aid, National City Bank, PNC Bank and Walgreens, management anticipates income from such property leases is sufficient so that distributions on proceeds received through August 27, 2009 from the sale of shares of our common stock will be paid from cash flow from our operating activities. As of August 27, 2009, cash used to pay our distributions was entirely generated from funds received from operating activities and fee waivers from our Advisor. Our distributions have not been paid from any other sources. We have continued to pay distributions to our shareholders each month since our initial dividend payment.

On November 5, 2008, the Board of Directors of American Realty Capital Trust, Inc. (the “Company”) approved an increase in its annual cash distribution from $.65 to $.67, paid monthly. Based on a $10.00 share price, this 20 basis point increase, effective January 2, 2009, will result in an annualized distribution rate of 6.7%.

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

	Total	Cash	DRIP
April, 2008	$ –	$ –	$ –

May, 2008	30,260	22,007	8,253
June, 2008	49,637	35,283	14,354
July, 2008	55,043	34,788	20,255
August, 2008	57,583	36,519	21,064
September, 2008	61,396	39,361	22,035
October, 2008	61,425	41,078	20,347
November, 2008	65,496	43,646	21,850
December, 2008	64,444	42,877	21,567
January, 2009	69,263	46,227	23,036
February, 2009	76,027	50,214	25,813
March, 2009	74,915	49,020	25,895
April, 2009	101,281	64,375	36,906
May, 2009	128,867	78,604	50,263
June, 2009	180,039	106,741	73,298
July, 2009	217,476	127,475	90,001
August, 2009 (through August 27)	290,230	177,620	112,610
	$ 1,583,382	$ 995,835	$ 587,547

The Company, Board of Directors and Advisor share a similar philosophy with respect to paying the dividend. The dividend should principally be derived from cash flows generated from real estate operations. Specifically, funds from operations should equal or exceed distributions in a given period. If needed, the Advisor is generally expected to waive its asset management fee and forego entitled reimbursements to ensure the full coverage of the Company's distributions. The fees and reimbursement that are waived are not deferrals and accordingly, will not be paid by the Company.

Status of Fees Paid and Deferred

The following information is to be added to the "Estimated Use of Proceeds" section on pages 6-9 and 35-36 of the Prospectus.

Through December 31, 2008, the Company reimbursed the Advisor $0 and $1,507,369 for organizational and offering expenses and acquisition cost, respectively, and incurred:

- acquisition fees of $1,507,369 paid to the Advisor
- finance coordination fees of $1,131,015 paid to the Advisor
- property management fees of $4,230 paid to the Property Manager

From January 1, 2009 through August 13, 2009, the Company reimbursed the Advisor $2,090,817 and $354,281 for organizational and offering expenses and acquisition cost, respectively. Such amounts includes $1,410,714 of offering cost incurred by the affliated Advisor and Dealer Manager that exceeds 1.5% of gross offering proceeds earned as of June 30, 2009. From January 1, 2009 through August 13, 2009, the Company incurred:

- acquisition fees of $354,281 paid to the Advisor
- finance coordination fees of $174,285 paid to the Advisor
- property management fees of $0 paid to the Property Manager

The Company pays the Advisor an annualized asset management fee of 1.0% based on the aggregate contract purchase price of all properties. Through June 30, 2009, the Company paid no such fees to the Advisor and will determine if such fees will be waived in subsequent periods on a quarter-to-quarter basis. Such waived fees for the period ended December 31, 2008 and six months ended June 30, 2009 equal approximately $733,000 and $771,000, respectively. If the Advisor had not agreed to waive the asset management fee, we would not have had sufficient cash to fund our distributions. Had this been the case, additional borrowings would have been incurred to fund our monthly distributions.

Real Estate Investments

The following information is to replace the section of our Prospectus captioned "Real Property Investments" on pages 84-89 of the Prospectus.

FedEx Property1

The REIT acquired a FedEx Cross-Dock facility in Snowshoe, Pennsylvania (the “FedEx Property”) as its initial investment on March 5, 2008. On February 25, 2008, the REIT’s entire Board of Directors (with the two inside directors abstaining because the acquisition of the FedEx Property is an affiliated transaction) approved the acquisition of the FedEx Property, which acquisition closed on March 5, 2008.

The REIT acquired the FedEx Property at sellers’ cost, which does not exceed the fair market value of the FedEx Property as determined by an appraisal of a qualified independent appraiser. The purchase price for the FedEx Property is approximately $10.0 million. The FedEx Property is subject to approximately $7.0 million of existing debt. The REIT funded the balance of the purchase price by issuing 342,502 of shares of common stock to the sellers. Closing costs and fees aggregated approximately $215,000.

Our operating partnership, American Realty Capital Operating Partnership, L.P., entered into a purchase agreement to purchase the FedEx Property subject to customary due diligence and other conditions, as described above. The sellers of the FedEx Property are two unaffiliated parties, who own approximately 70% of indirect interest in the FedEx Property, and our sponsors, Nicholas S. Schorsch and William M. Kahane, who own approximately 30% of indirect interest in the FedEx Property. The FedEx Property is a shipping and distribution facility located at 401 E. Sycamore, Snowshoe, PA. Built in 2004, the FedEx Property has 55,440 square feet of warehouse space. The current sole tenant is FedEx and will remain the sole tenant on a double-net lease basis.

FedEx Property Location	Acquisition Date	Purchase Price (1)(2)	Compensation to Advisor and Affiliates (3)
401 E. Sycamore	3/5/2008	$10,207,674	$170,125

(1) Sellers are our sponsors, Nicholas S. Schorsch and William M. Kahane, and two unaffiliated parties.

(2) Purchase price includes all closing costs inclusive of the acquisition fee, which equals 1% of the contract purchase price.

(3) Amounts include acquisition and finance coordination fees paid to our advisor for acquisition and finance coordination services rendered in connection with the property acquisition.

The property acquisition is subject to a double-net lease, pursuant to which the landlord is responsible for maintaining the property’s roof and structure, and the tenant is required to pay all other expenses associated with the property in addition to base rent.

The table below provides leasing information for the tenant at the property:

FedEx Property Location	Number of Tenants	Tenant	Renewal Options	Current Annual Base Rent	Base Rent per Square Foot	Total Square Feet Leased	Remaining Lease Term
401 E. Sycamore	1	FedEx Freight East Inc.	13 year lease	$702,828	$12.68	55,440	10.75

	2 five year extension periods

The following table outlines the loan terms on the existing debt financing assumed in connection with acquisition of the FedEx Property.

FedEx Property Location	1st Mortgage Debt	Type	Rate	Maturity Date
401 E. Sycamore	$6,965,000	Interest only	6.29%	9/1/2037

FedEx Corporation, together with its subsidiaries, provides transportation, e-commerce, and business services. It operates in four segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx Kinko's. The FedEx Express segment offers various shipping services for the delivery of packages and freight. This segment also provides international trade services specializing in customs brokerage and global cargo distribution; international trade advisory services; and publishes customs duty and tax information, as well as provides Global Trade Data, an information tool that allows customers to track and manage imports. The FedEx Ground segment provides business and residential money-back-guaranteed ground package delivery services. The FedEx Freight segment offers regional next-day and second-day, and interregional less-than-truckload (LTL) freight services, as well as long-haul LTL freight services. The FedEx Kinko's segment provides document services, such as printing, copying, and binding services; and business services, such as high-speed Internet access and computer rental, videoconferencing, signs and graphics production, and direct mail services. This segment also offers retail products, such as specialty papers, greeting cards, printer cartridges, stationery, and office supplies, as well as provides Web-based services. The company also offers supply chain solutions, including critical inventory logistics, transportation management, fulfillment, and fleet services. FedEx Corporation, formerly known as FDX Corporation, was founded in 1971 and is headquartered in Memphis, Tennessee. FedEx Corporation stock is listed on the New York Stock Exchange, and FedEx has a credit rating of BBB.

---

1 Our operating partnership has transferred forty-nine percent (49%) interest in the FedEx Property to American Realty Capital DST, I, a Section 1031 Exchange Program. Please see "Section 1031 Exchange Program" in this Supplement.

Because the FedEx Property is 100% leased to a single tenant on a long-term basis under a net lease, which transfers substantially all of the operating costs to the tenant, we believe that the financial condition and results of operations of the tenant's guarantor and affiliate, FedEx Corporation, are more relevant to investors than the financial statements of the individual property acquired in order to enable investors to evaluate the lessee's credit-worthiness. Additionally, because the properties are subject to a net lease, historical property financial statements provide limited information other than rental income, which is disclosed above. Therefore, we have not provided audited financial statements of the properties acquired.

FedEx Corporation currently files its financial statements in reports filed with the Securities and Exchange Commission, and the following summary financial data regarding FedEx Corporation are taken from the 2008 and 2009 annual reports and Form 10-Q.

	For the Fiscal Year Ended		
	5/31/2009	5/31/2008	5/31/2007
Consolidated Statements of Operations (in thousands)			
Revenues	$ 35,497,000	$ 37,953,000	$ 35,214,000
Operating Income	747,000	2,075,000	3,276,000
Net Income	98,000	1,125,000	2,016,000

	As of the Fiscal Year Ended		
	5/31/2009	5/31/2008	5/31/2007
Consolidated Balance Sheets (in thousands)			
Total Assets	$ 24,244,000	$ 25,633,000	$ 24,000,000
Long-term Debt	1,930,000	1,506,000	2,007,000
Stockholders' Equity	13,626,000	14,526,000	12,656,000

For more detailed financial information regarding FedEx Corporation, please refer to its financial statements, which are publicly available with the Securities and Exchange Commission at http://www.sec.gov.

Harleysville Properties

The REIT acquired 15 Harleysville National Bank and Trust Company ("Harleysville National Bank") branch properties in various Pennsylvania locations (the "Harleysville Properties") on March 12, 2008. On February 25, 2008, the REIT's entire Board of Directors (with the two inside directors abstaining because the acquisition is an affiliated transaction) approved the acquisition of the Harleysville Properties.

The REIT acquired the Harleysville Properties at seller's cost, which does not exceed the fair market value of the Harleysville Properties as determined by an appraisal of a qualified independent appraiser. The purchase price for the Harleysville Properties is approximately $41.0 million, which is subject to approximately $31.0 million of existing debt. The remainder of the purchase price was paid with proceeds from the offering and revolving equity investments. (4) The seller of the Harleysville Properties is one of the REIT's sponsors, Nicholas S. Schorsch. The Harleysville Properties are commercial bank branch locations throughout Pennsylvania with an aggregate of 178,000 square feet. The current sole tenant of the properties is Harleysville National Bank and will remain the sole tenant on a triple-net lease basis.

Harleysville Property Location	Acquisition Date		Approximate Purchase Price (1) (2)	Approximate Compensation to Advisor and Affiliates (3)
Harleysville, PA	3/12/2008	$	13,578,000	TOTAL FOR ALL PROPERTIES = $720,000 (Acquisition Fee + Finance Coordination Fee)
Lansdale, PA	3/12/2008		1,828,000	
Lansdale, PA	3/12/2008		1,618,000	
Lansford, PA	3/12/2008		2,034,000	
Lehighton, PA	3/12/2008		999,000	
Limerick, PA	3/12/2008		1,694,000	
Palmerton, PA	3/12/2008		3,319,000	
Sellersville, PA	3/12/2008		1,162,000	
Skippack, PA	3/12/2008		1,527,000	
Slatington , PA	3/12/2008		1,194,000	
Springhouse, PA	3/12/2008		4,071,000	
Summit Hill , PA	3/12/2008		1,784,000	
Walnutport, PA	3/12/2008		1,699,000	
Wyomissing, PA	3/12/2008		1,552,000	
Slatington , PA	3/12/2008		3,617,000	
Total		$	41,676,000	

(1) Seller is our sponsor, Nicholas S. Schorsch.

(2) Purchase price includes all closing costs inclusive of the acquisition fee, which equals 1% of the contract purchase price.

(3) Amounts include acquisition and finance coordination fees paid to our advisor for acquisition and finance coordination services rendered in connection with property acquisition.

(4) The proceeds from the offering totaled approximately $2,046,000 and the revolving equity investments totaled $3,954,000 and $4,000,000.

Each property acquired is subject to a triple-net lease, pursuant to which the tenant is required to pay substantially all operating expenses and capital expenditures in addition to base rent.

Harleysville Property Location	Tenant	Guarantor	Total Square Feet Leased	% of Total Sq. Ft. Leased

Harleysville, PA	Harleysville National Bank	same	80,275	100%
Lansdale, PA	Harleysville National Bank	same	3,488	100%
Lansdale, PA	Harleysville National Bank	same	3,690	100%
Lansford, PA	Harleysville National Bank	same	7,285	100%
Lehighton, PA	Harleysville National Bank	same	2,868	100%
Limerick, PA	Harleysville National Bank	same	5,000	100%
Palmerton, PA	Harleysville National Bank	same	11,602	100%
Sellersville, PA	Harleysville National Bank	same	3,364	100%
Skippack, PA	Harleysville National Bank	same	4,500	100%
Slatington, PA	Harleysville National Bank	same	7,320	100%
Slatington, PA	Harleysville National Bank	same	19,872	100%
Spring House, PA	Harleysville National Bank	same	12,240	100%
Summit Hill, PA	Harleysville National Bank	same	5,800	100%
Walnutport, PA	Harleysville National Bank	same	5,490	100%
Wyomissing, PA	Harleysville National Bank	same	4,980	100%
Total			177,774	

The table below provides leasing information for the tenant at each respective property:

Harleysville Property Location	Number of Tenants	Tenant	Renewal Options	Current Annual Base Rent	Base Rent per Square Foot	Remaining Lease Term
Harleysville, PA	1	Harleysville National Bank	See Footnote (1)	$996,100	$12.41	14.81
Lansdale, PA		Harleysville National Bank		130,200	37.33	14.81
Lansdale, PA		Harleysville National Bank		114,390	31.00	14.81
Lansford, PA		Harleysville National Bank		145,700	20.00	14.81
Lehighton, PA		Harleysville National Bank		68,832	24.00	14.81
Limerick, PA		Harleysville National Bank		120,000	24.00	14.81
Palmerton, PA		Harleysville National Bank		240,895	20.76	14.81
Sellersville, PA		Harleysville National Bank		80,755	24.01	14.81
Skippack, PA		Harleysville National Bank		108,000	24.00	14.81
Slatington, PA		Harleysville National Bank		83,540	11.41	14.81
Slatington, PA		Harleysville National Bank		261,566	13.16	14.81
Spring House, PA		Harleysville National Bank		295,920	24.18	14.81
Summit Hill, PA		Harleysville National Bank		127,600	22.00	14.81
Walnutport, PA		Harleysville National Bank		120,780	22.00	14.81
Wyomissing, PA		Harleysville National Bank		109,560	22.00	14.81
Total/Average				$3,003,838	$16.90	14.81

(1) The lease agreement for each Harleysville Property contains a number of consecutive renewal options. After the initial contractual period, each lease may be renewed for two additional five-year terms. After both five-year renewal options have been exercised, each lease may be renewed for an additional three-year period, then for six additional five-year periods and finally, one additional two-year period.

The following table outlines the loan terms on the existing debt financing on the Harleysville Properties. The loan has a fixed rate of 6.59% for the first six (6) years of the loan term after which the rate resets to the then current five (5) year Treasury rate plus 2.25% (with a floor of 6.5%), with interest only payments for the first three (3) years of the loan term, principal and interest payments based on a twenty (20) year amortization period for years four (4) through ten (10) of the loan term and a 10-year maturity with a 5 year extension option.

Harleysville Property Location	1st Mortgage Debt	Rate	Maturity Date
Harleysville, PA	$ 10,104,229	6.59%	1/1/2018
Lansdale, PA	1,360,147	6.59%	1/1/2018
Lansdale, PA	1,203,780	6.59%	1/1/2018
Lansford, PA	1,513,258	6.59%	1/1/2018
Lehighton, PA	743,135	6.59%	1/1/2018
Limerick, PA	1,260,965	6.59%	1/1/2018
Palmerton, PA	2,469,757	6.59%	1/1/2018
Sellersville, PA	864,361	6.59%	1/1/2018
Skippack, PA	1,136,628	6.59%	1/1/2018
Slatington, PA	888,856	6.59%	1/1/2018
Spring House, PA	3,029,802	6.59%	1/1/2018
Summit Hill, PA	1,327,933	6.59%	1/1/2018
Walnutport, PA	1,264,531	6.59%	1/1/2018
Wyomissing, PA	1,155,084	6.59%	1/1/2018
Slatington, PA	2,677,534	6.59%	1/1/2018
Total	$ 31,000,000		

Harleysville National Corporation operates as the holding company for Harleysville National Bank and Trust Company, which provides banking and financial products and services to individual and corporate customers primarily in eastern Pennsylvania. As of December 31, 2008, Harleysville had 85 branch offices located in Montgomery, Bucks, Chester, Berks, Carbon, Lehigh, Monroe and Northampton counties, Pennsylvania. The company was founded in 1909 and is headquartered in Harleysville, Pennsylvania. The company engages in commercial banking and trust business, including accepting time, demand, savings, and money market deposits; making secured and unsecured commercial, consumer, and real estate loans, as well as lease financing; financing commercial transactions; making construction and mortgage loans; and performing corporate pension and personal investment and trust services. It also offers retail banking and wealth management solutions. In addition, the company, through its subsidiary, provides wealth management, estate and succession planning and life insurance services and products for high-net-worth business owners and families.

Because the Harleysville Properties are 100% leased to a single tenant on a long-term basis under a net lease, which transfers substantially all of the operating costs to the tenant, we believe that the financial condition and results of operations of the tenant are more relevant to investors than the financial statements of the individual properties acquired in order to enable investors to evaluate the credit-worthiness of the lessee. Additionally, because the properties are subject to a net lease, historical property financial statements provide limited information other than rental income, which is disclosed above. Therefore, we have not provided audited financial statements of the properties acquired.

Harleysville National Corp. currently files its financial statements in reports filed with the Securities and Exchange Commission, and the following summary financial data regarding Harleysville National Corp. and subsidiaries are taken from the 2006, 2007 and 2008 annual reports and Form 10-Q for the period ended June 30, 2009:

	Past Six Months	For the Fiscal Year Ended

Consolidated Statements of Operations (in thousands)	Ended 6/30/09	12/31/2008	12/31/2007	12/31/2006
Revenue	$ 123,683	$ 206,294	$ 194,561	$ 178,941
Net Operating Income	67,506	134,790	115,222	124,321
Net Income (Loss)	(217,908)	25,093	26,595	39,415

10

Consolidated Balanced Sheets (in thousands)	As of 6/30/09	For the Fiscal Year Ended 12/31/2008	12/31/2007	12/31/2006
Total Assets	$ 5,210,327	$ 5,490,509	$ 3,903,001	$ 3,249,828
Long-Term Debt	694,586	759,658	321,785	239,750
Shareholder's Equity	248,685	474,707	339,310	294,751

For more detailed financial information regarding Harleysville National Corp., please refer to its financial statements, which are publicly available with the Securities and Exchange Commission at http://www.sec.gov.

Rockland Properties

On April 25, 2008, the REIT's Board of Trustees approved the acquisition of certain property owned by Rockland Trust Company (the "Rockland Properties"). The REIT acquired the Rockland Properties on May 2, 2008.

The purchase price for the Rockland Properties is approximately $32.1 million. The Rockland Properties are subject to approximately $24.4 million of debt. The remainder of the purchase price was funded with proceeds from the offering and revolving equity investments. (1) Rockland Trust, the seller of the Rockland Properties, is an unaffiliated third party. The Rockland Properties consist of commercial bank branches, bank branch/offices and operations centers throughout Southeastern Massachusetts and Cape Cod with an aggregate of approximately 121,000 square feet. The current sole tenant of the properties is Rockland Trust Company.

(1) The proceeds from the offering totaled approximately $2,205,000, the revolving equity investments totaled $2,500,000 and the short-term convertible redeemable preferred equity totaled $3,995,000.

Rockland Property Location	Approximate Purchase Price (1)	Approximate Compensation to Advisor and Affiliates
Brockton, MA	$ 643,000	TOTAL FOR ALL PROPERTIES =
Chatham, MA	1,500,000	$566,000
Hull, MA	692,000	(Acquisition Fee + Finance
Hyannis, MA	2,377,000	Coordination Fee)
Middleboro, MA	3,495,000	
Orleans, MA	1,371,000	
Randolph, MA	1,540,000	
Centerville, MA	1,129,000	
Duxbury, MA	1,323,000	
Hanover, MA	1,320,000	
Middleboro, MA	922,000	
Pembroke, MA	1,546,000	
Plymouth, MA	5,173,000	
Rockland, MA	4,095,000	
Rockland, MA	1,769,000	
S. Yarmouth, MA	1,586,000	

Scituate, MA		1,263,000
West Dennis, MA		1,384,000
Total	$	33,128,000

(1) Approximate purchase price includes purchase price plus closing costs, inclusive of the acquisition fee, which equals 1% of the contract purchase price.

11

Each property is 100% leased on a triple-net basis to Rockland Trust Company, pursuant to which the tenant is required to pay substantially all operating expenses and capital expenditures in addition to base rent. The guarantor under the lease is Rockland Trust Company. Each location has four concurrent renewal options, each for a five-year term at the then prevailing market rate.

Rockland Property Location	Total Square Feet Leased	Current Annual Base Rent	Base Rent per Square Foot	Lease Term (Years)
Middleboro, MA	18,520	$ 250,020	$ 13.50	10.0
Hyannis, MA	8,948	170,012	19.00	10.0
Hull, MA	1,763	49,364	28.00	10.0
Randolph, MA	3,670	110,100	30.00	10.0
Duxbury, MA	2,667	90,678	34.00	15.0
Brockton, MA	1,835	45,875	25.00	10.0
Centerville, MA	2,977	77,402	26.00	15.0
Chatham, MA	3,459	107,229	31.00	10.0
Orleans, MA	3,768	97,968	26.00	10.0
Pembroke, MA	3,213	106,029	33.00	15.0
S. Yarmouth, MA	4,727	108,721	23.00	15.0
Scituate, MA	2,706	86,592	32.00	15.0
Rockland, MA	18,425	280,981	15.25	15.0
Rockland, MA	11,027	121,297	11.00	15.0
Hanover, MA	2,828	90,496	32.00	15.0
Plymouth, MA	25,358	355,012	14.00	15.0
Middleboro, MA	2,106	63,180	30.00	15.0
West Dennis, MA	3,060	94,860	31.00	15.0
Total/Average	121,057	$ 2,305,816	$ 19.05	13.2

The following table outlines the loan terms on the debt financing assumed in connection with acquisition of the Rockland Properties:

Mortgage Debt Amount	Type	Rate	Maturity Date
$24,412,500	Variable	30 Day LIBOR+ 1.375%(1)	May 2013

(1) The Company entered into a rate lock agreement to limit its interest rate exposure. The LIBOR floor and cap are 3.54% and 4.125% (initial year), respectively.

Independent Bank Corp. (NYSE: INDB) operates as the holding company for Rockland Trust Company (the "Bank"), which provides commercial banking, retail banking, and investment management services in Massachusetts. Its Fitch credit rating is BBB-. It offers a range of demand deposits, interest checking, money market accounts, savings accounts, and time certificates of deposit. The Bank's loan portfolio comprises commercial loans, business banking loans and consumer loans. It also provides real estate loans, which comprise commercial mortgages that are secured by nonresidential properties, residential mortgages that are secured primarily by owner-occupied residences, and mortgages for the construction of commercial and residential properties. In addition, the Bank provides investment management and trust services to individuals, small businesses, and charitable institutions, as well as serves as executor or administrator of estates. As of December 31, 2008, it operated 58 full service and three limited service retail bank branches, 10 commercial banking centers, 4 investment management group offices, and 5 residential lending centers, which are located in Southeastern Massachusetts and Cape Cod. The Bank was founded in 1907 and is headquartered in Rockland, Massachusetts.

Independent Bank Corp. currently files its financial statement in reports filed with the Securities and Exchange Commission, and the following summary financial data regarding Independent Bank Corp. are taken from the 2006, 2007 and 2008 annual reports and Form 10-Q for the period ended June 30, 2009.

	Past Six Months Ended 6/30/09	For the Fiscal Year Ended December 31, 2008	2007	2006
Consolidated Statements of Operations (in thousands)				
Interest Income	$ 96,216	$ 176,388	$ 159,738	$ 167,693
Net Interest Income after Provision for Loan Losses	60,620	106,574	93,053	100,320
Net Income	7,047	28,084	28,381	32,851

	As of 6/30/09	As of the Fiscal Year Ended December 31, 12/31/2008	12/31/2007	12/31/2006
Consolidated Balanced Sheets (in thousands)				
Total Assets	$ 4,455,059	$ 3,628,469	$ 2,768,413	$ 2,828,919
Long-Term Debt	667,914	695,317	504,344	493,649
Shareholder's Equity	397,560	305,274	220,465	229,783

For more detailed financial information regarding Independent Bank Corp., please refer to its financial statements, which are publicly available with the Securities and Exchange Commission at http://www.sec.gov.

Rite Aid Properties

On September 29, 2008, American Realty Capital Trust Inc. (the "REIT") acquired 6 Rite Aid properties (the "Rite Aid Properties"). The REIT acquired the Rite Aid Properties at sellers' cost, which does not exceed the fair market value of the Rite Aid Properties as determined by an appraisal of a qualified independent appraiser. The purchase price for the Rite Aid Properties is approximately $18.6 million. The Rite Aid Properties are subject to approximately $12.8 million of assumed existing debt. The remainder of the purchase price was funded with revolving equity investment of approximately $6,000,000 from a related party under an unsecured revolving equity facility. The sellers of the Rite Aid Properties are two of the REIT's sponsors, Nicholas S. Schorsch and William M. Kahane. The Rite Aid Properties are drug stores in Ohio and Pennsylvania with an aggregate of approximately 75,000 square feet. The current sole tenant of the properties is Rite Aid and will remain the sole tenant on a triple-net or double-net lease basis.

Rite Aid Property Location		Approximate Purchase Price (1)	Approximate Compensation to Advisor and Affiliates
Lisbon, OH	$	1,515,000	TOTAL FOR ALL PROPERTIES =
East Liverpool, OH		2,249,000	$314,000
Carrollton, OH		2,376,000	(Acquisition Fee + Finance
Cadiz, OH		1,720,000	Coordination Fee)
Pittsburgh, PA		6,334,000	
Carlisle, PA		4,640,000	
Total	$	18,834,000	

(1) Approximate purchase price includes purchase price plus closing costs, inclusive of the acquisition fee, which equals 1% of the contract purchase price.

Two of the property acquisitions (the Pennsylvania properties) are subject to a triple-net lease, pursuant to which the tenant is required to pay all operating expenses and capital expenditures in addition to base rent. Four of the property acquisitions (the Ohio properties) are subject to double-net leases, pursuant to which the landlord is responsible for maintaining the property's roof and structure, and the tenant is required to pay all other expenses associated with the property in addition to base rent. The guarantor under the lease is Rite Aid Corp. The Ohio locations have six concurrent renewal options, each for a five-year term. The Pennsylvania locations have eight concurrent renewal options, each for a five-year term. Renewal rates include certain increases for fixed percentages as well as market adjustments, as defined by the lease.

Rite Aid Property Location	Total Square Feet Leased	Current Annual Base Rent	Base Rent per Square Foot	Remaining Lease Term (Years) (1)
Lisbon, OH	10,141	$ 113,174	$ 11.16	7.41
East Liverpool, OH	11,362	169,333	14.90	9.64
Carrollton, OH	12,613	179,177	14.21	9.22
Cadiz, OH	11,335	129,024	11.38	8.18
Pittsburgh, PA	14,766	469,790	31.82	19.10
Carlisle, PA	14,702	343,728	23.38	19.10
Total/Average	74,919	$ 1,404,226	$ 18.74	14.75

(1) Remaining lease term as of June 30, 2008.

The following table outlines the loan terms on the debt financing assumed in connection with acquisition of the Rite Aid Properties.

Mortgage Debt Amount	Type	Rate	Maturity Date
$ 12,808,265	Fixed - Interest Only	6.97%	September 2017

Rite Aid ("RAD") is the third largest drug store chain in the U.S., operating about 5,100 stores. Its S&P credit rating is B. We estimate store locations average about 12,150 sq. ft. RAD locates its stores in what it believes are convenient locations in fast-growing metropolitan areas. Stores sell prescription drugs and a wide variety of general merchandise (front-end products), including OTC medications, health and beauty aids, personal care items, cosmetics, greeting cards, household items, convenience foods, photo processing services, and seasonal merchandise. Sales of prescription drugs accounted for 67% of total sales in fiscal year 2008. Over-the-counter medications and personal care items generated 10% of sales in fiscal year 2008. The company distinguishes its stores from other national chain drug stores through its emphasis on private label brands and a store-within-Rite Aid stores program with General Nutrition Companies, Inc. (GNC). The company sells 3,000 private label products in its stores, contributing about 13% of front-end sales in categories where private label products are offered. The company plans to continue increasing the number of private label products in fiscal year 2009. RAD had opened about 1,486 GNC stores-within-Rite Aid stores as of March 2008. RAD is implementing programs directed toward its pharmacy business, including faster prescription delivery and an increased focus on attracting and retaining managed care customers. RAD is focusing efforts and resources on improving operations in its existing store base. The company's new store prototype has 13,000 sq. ft. in average selling sq. ft. and has 15,900 in overall sq. ft. RAD's goal is to open or relocate about 1,000 stores by the end of fiscal year 2012 under the new prototype. To increase pharmacy sales, the company purchases pharmacy files from other drug stores and has recently added the capability to provide pharmacy benefit management services to employers, health plans, and insurance companies. RAD intends to offer 90-day prescription refills to its customers as an alternative to mail order.

Rite Aid currently files its financial statements in reports filed with the Securities and Exchange Commission, and the following summary financial data regarding Rite Aid are taken from the 2006, 2007 and 2008 annual reports and Form 10-Q for the period ended May 30, 2009:

Consolidated Statements of Operations (in thousands)	Past Thirteen Weeks Ended May 30, 2009	For the Fiscal Year Ended Feruary 28, 2009	March 1, 2008	March 3, 2007
Revenues	$ 6,531,178	$ 26,289,268	24,326,846	$ 17,399,383
Operating Income (Loss)	(46,084)	(243,743)	185,271	300,995
Net Income (Loss)	(98,446)	(2,915,420)	(1,078,990)	26,826

Consolidated Balance Sheets (in thousands)	As of May 30, 2009	As of the Fiscal Year Ended Feruary 28, 2009	March 1, 2008	March 3, 2007
Total Assets	$8,019,180	$ 8,326,540	$ 11,488,023	$ 7,091,024
Long-Term Debt	5,486,791	5,801,230	5,610,489	2,909,983
Stockholders' Equity (Deficit)	(1,290,631)	(1,911,652)	1,711,185	1,662,846

For more detailed financial information regarding Rite Aid, please refer to its financial statements, which are publicly available with the Securities and Exchange Commission at http://www.sec.gov.

National City Bank Properties

On August 29, 2008, the REIT's Board of Trustees (with the two inside directors abstaining because the acquisition of 2 National City bank branches (the "National City Properties") is an affiliated transaction) approved the acquisition of the National City Properties. The REIT acquired the branch located in Palm Coast, FL on September 16, 2008 (the "Palm Coast Property")2 and the bank branch located in Pompano Beach, FL on October 23, 2008 (the "Pompano Beach Property").

The purchase price for the National City Properties is approximately $6.7 million. The National City Properties are subject to approximately $4.5 million of debt, comprised of loans from TD Bank, N.A. in the amounts of approximately $2.1 million for the Palm Coast Property and $2.4 million for the Pompano Beach Property. The remainder of the purchase price was funded with revolving equity investment of approximately $2,400,000 from a related party under an unsecured revolving equity facility. The seller of the National City Properties is an affiliated party. The National City Properties are two bank branches in Florida with an aggregate of approximately 8,500 square feet. The current sole tenant of the properties is National City Bank and will remain the sole tenant on a triple-net basis.

National City Property Location	Approximate Purchase Price	Approximate Compensation to Advisor and Affiliates
Palm Coast, FL	$ 3,100,000	$ 51,000
Pompano Beach, FL	3,800,000	61,000
Total	$ 6,900,000	$ 112,000

The properties are triple-net leased to National City Bank, pursuant to which National City Bank is required to pay all operating expenses and capital expenditures in addition to base rent, and have primary lease terms of 20 years. Annual rent is $466,465 for each of the first five years of the initial lease term, increased by 12% every five years for the Palm Coast Property and 10% every five years for the Pompano Beach Property.

National City Property Location	Total Square Feet Leased	Current Annual Base Rent	Base Rent per Square Foot
Palm Coast, FL	3,740	$ 210,000	$ 56.15
Pompano Beach, FL	4,663	256,465	55.00
Total	8,403	$ 466,465	$ 55.51

2 American Realty Capital Operating Partnership, L.P. transferred forty-nine percent (49%) interest in the Palm Coast Property to American Realty Capital DST, I, a Section 1031 Exchange Program. See "Section 1031 Exchange Program" in this Supplement.

15

The following table outlines the loan terms on the debt financing incurred in connection with acquisition of the National City Properties:

National City Property Location	Mortgage Debt Amount		Rate (1)	Maturity Date
Palm Coast, FL	$	2,062,500	30 day LIBOR + 1.50%	September 16, 2013
Pompano Beach, FL		2,437,500	30 day LIBOR + 1.50%	October 23, 2013
Total/Average	$	4,500,000		

(1) We limited our interest rate exposure by entering into a rate lock agreement with a LIBOR floor and cap of 3.37% and 4.45% (initial year), respectively for a notional contract amount of approximately $4,115,000 and a fixed rate of 3.565% on a notional contract amount of approximately $385,000.

National City Corporation is a $152.5 billion financial holding company with $94.6 billion in deposits and $3.02 billion in revenues. It is based in Cleveland, OH, and as of December 31, 2007 had more than 1,400 branch banking offices in Ohio, Florida, Illinois, Indiana, Kentucky, Michigan, Missouri, Pennsylvania, and Wisconsin. It is rated S&P A-. On October 24, 2008, PNC Financial Services Group announced that it would purchase National City Corporation in a stock transaction valued at $5.2 billion.

National City Corporation currently files its financial statements in reports filed with the Securities and Exchange Commission, and the following summary financial data regarding National City Corporation is taken from the 2005, 2006 and 2007 annual reports and Form 10-Q.

			For the Fiscal Year Ended December 31,					
Consolidated Statements of Operations (in millions)	Three Months Ended June 30, 2008		2007		2006		2005	
Revenues	$	1,880	$	9,185		8,934	$	7,732
Operating Income		1,015		4,396		4,604		4,696
Net (Loss) Income		(1,756)		314		2,300		1,985

	As of the Fiscal Year Ended December 31,					
Consolidated Balance Sheets (in millions)	2007		2006		2005	
Total Assets	$	150,374	$	140,191	$	142,397
Long-Term Debt		25,992		25,407		30,496
Stockholders' Equity		13,408		14,581		12,613

For more detailed financial information regarding National City Corporation, please refer to its financial statements, which are publicly available with the Securities and Exchange Commission at http://www.sec.gov.

PNC Bank Properties

The REIT acquired 50 bank branches triple-net leased to PNC Bank, National Association (the "PNC Properties") on November 25, 2008. On August 12, 2008, the REIT's Board of Directors approved the acquisition of the PNC Properties and as of November 18, 2008 approved the financings with TD Bank, N.A. and KBC Bank, N.V., each described below.

The purchase price for the PNC Properties is approximately $42.3 million. The purchase price was paid with proceeds from the sale of common shares, first mortgage indebtedness, bridge equity from KBC Bank, N.V. (which bridge equity we expect to pay off during the first quarter of 2009), and funds from individuals of approximately $2,097,598, $33,398,902, $8,000,000 and $1,089,500 respectively. The PNC Properties are bank branches in Pennsylvania, New Jersey and Ohio with an aggregate of approximately 275,000 square feet. The current sole tenant of the properties is PNC Bank, National Association ("PNC Bank") and will remain the sole tenant on a triple-net lease basis.

Address	City, State	Approximate Purchase Price(1)	Approximate Compensation to Advisor and Affiliates
1001 East Erie Ave	Philadelphia, PA	$ 904,000	Total for All Properties = $757,000
108 East Main Street	Somerset, PA	1,206,000	(Acquisition fee +
114 West State Street	Media, PA	754,000	Finance coordination fee)
1152 Main Street	Paterson, NJ	829,000	
1170 West Baltimore Pike	Media, PA	301,000	
12 Outwater Lane	Garfield, NJ	1,206,000	
1260 McBride Ave	West Paterson, NJ	678,000	
141 Franklin Turnpike	Mahwah, NJ	829,000	
1485 Blackwood-Clementon Rd	Clementon, PA	1,432,000	
150 Paris Ave	Northvale, NJ	829,000	
16 Highwood Ave	Tenafly, NJ	754,000	
1921 Washington Valley Road	Martinsville, NJ	1,432,000	
1933 Borendtown Ave	Parlin, NJ	980,000	
204 Raritan Valley College Drive	Somerville, NJ	1,281,000	
207 S State St	Clarks Summit, PA	528,000	
2200 Cottman	Philadelphia, PA	1,206,000	
222 Ridgewood Ave	Glen Ridge, NJ	678,000	
2431 Main Street	Trenton, NJ	1,507,000	
294 Main Ave	Clifton, NJ	678,000	
30 Main Street	West Orange, NJ	829,000	
31 S Chester Rd	Swarthmore, PA	528,000	
315 Haddon Ave	Haddonfield, PA	980,000	
321 E 33rd St	Paterson, NJ	377,000	
34 East Market Street	Blairsville, PA	678,000	
359 Georges Rd	Dayton, NJ	1,206,000	
36 Bergen St	Westwood, NJ	528,000	
401 West Tabor Road	Philadelphia, PA	528,000	
403 N Baltimore St	Dillsburg, PA	452,000	
404 Pennsylvania Ave East	Warren, PA	678,000	
410 Main Street	Orange, NJ	980,000	
424 Broad Street	Bloomfield, NJ	829,000	
425 Boulevard	Mountain Lakes, NJ	1,055,000	
45 South Martine Ave	Fanwood, NJ	1,206,000	
470 Lincoln Avenue	Pittsburgh, PA	678,000	
49 Little Falls Road	Fairfield, NJ	1,959,000	
501 Pleasant Valley Way	West Orange, NJ	528,000	
555 Cranbury Road	East Brunswick, NJ	1,130,000	

570 Pompton Ave	Cedar Grove, NJ		1,356,000
583 Kearny Ave	Kearny, NJ		829,000
588 Newark-Pompton Tnpk	Pompton Plains, NJ		301,000
5900 N Broad St	Philadelphia, PA		603,000
591 Route 33	Millstone, NJ		904,000
638 E Landis Ave	Vineland, NJ		754,000
6th & Spring Garden	Philadelphia, PA		980,000
7811 Tylersville Road	West Chester, OH		1,281,000
82 Greenbrook Road	Dunellen, NJ		1,155,000
8340 Germantown Ave	Philadelphia, PA		301,000
9 West Somerset Street	Raritan, NJ		1,306,000
Cooper & Delsea	Deptford, NJ		979,000
RR1 Box 640	Tannersville, PA		903,000
TOTAL		$	44,813,000

(1) Approximate purchase price includes purchase price plus closing costs, inclusive of the acquisition fee, which equals 1% of the contract purchase price.

17

The properties are triple-net leased to PNC Bank, pursuant to which PNC Bank will be required to pay substantially all operating expenses and capital expenditures in addition to base rent, simultaneously with the acquisition of the properties, and will have primary lease terms of ten years, expiring November 1, 2018. Annual rent is $2,960,000 for each of the first five years of the initial lease term, increased by 10% in year six. The leases provide for up to four extensions of successive five-year terms with an increase in the rental rate by 10% for each additional renewal term. Following the first year of the lease, the tenant has the right to terminate two leases within the PNC Properties each calendar year during the term of the lease, including renewal options, at any time upon at least twelve months' prior written notice to the REIT.

Address	City, State	Total Square Feet Leased	Current Annual Base Rent	Rent Per Square Foot
1001 East Erie Ave	Philadelphia, PA	3,653	$ 60,000	$ 16.42
108 East Main Street	Somerset, PA	7,322	80,000	10.93
114 West State Street	Media, PA	12,344	50,000	4.05
1152 Main Street	Paterson, NJ	4,405	55,000	12.49
1170 West Baltimore Pike	Media, PA	2,366	20,000	8.45
12 Outwater Lane	Garfield, NJ	7,372	80,000	10.85
1260 McBride Ave	West Paterson, NJ	2,963	45,000	15.19
141 Franklin Turnpike	Mahwah, NJ	3,281	55,000	16.76
1485 Blackwood-Clementon Rd	Clementon, PA	3,853	95,000	24.66
150 Paris Ave	Northvale, NJ	3,537	55,000	15.55
16 Highwood Ave	Tenafly, NJ	10,908	50,000	4.58
1921 Washington Valley Road	Martinsville, NJ	5,220	95,000	18.20
1933 Borendtown Ave	Parlin, NJ	4,355	65,000	14.93
204 Raritan Valley College Drive	Somerville, NJ	2,423	85,000	35.08
207 S State St	Clarks Summit, PA	7,170	35,000	4.88
2200 Cottman	Philadelphia, PA	3,617	80,000	22.12
222 Ridgewood Ave	Glen Ridge, NJ	9,248	45,000	4.87
2431 Main Street	Trenton, NJ	3,470	100,000	28.82
294 Main Ave	Clifton, NJ	1,992	45,000	22.59
30 Main Street	West Orange, NJ	5,340	55,000	10.30
31 S Chester Rd	Swarthmore, PA	3,126	35,000	11.20
315 Haddon Ave	Haddonfield, PA	4,828	65,000	13.46
321 E 33rd St	Paterson, NJ	2,837	25,000	8.81
34 East Market Street	Blairsville, PA	12,212	45,000	3.68
359 Georges Rd	Dayton, NJ	3,660	80,000	21.86
36 Bergen St	Westwood, NJ	5,160	35,000	6.78
401 West Tabor Road	Philadelphia, PA	8,653	35,000	4.04
403 N Baltimore St	Dillsburg, PA	2,832	30,000	10.59
404 Pennsylvania Ave East	Warren, PA	7,136	45,000	6.31
410 Main Street	Orange, NJ	8,862	65,000	7.33
424 Broad Street	Bloomfield, NJ	3,657	55,000	15.04
425 Boulevard	Mountain Lakes, NJ	2,732	70,000	25.62
45 South Martine Ave	Fanwood, NJ	2,078	80,000	38.50
470 Lincoln Avenue	Pittsburgh, PA	2,760	45,000	16.30
49 Little Falls Road	Fairfield, NJ	5,549	130,000	23.43
501 Pleasant Valley Way	West Orange, NJ	3,358	35,000	10.42
555 Cranbury Road	East Brunswick, NJ	16,324	75,000	4.59

570 Pompton Ave	Cedar Grove, NJ	4,773	90,000	18,86
583 Kearny Ave	Kearny, NJ	7,408	55,000	7.42
588 Newark-Pompton Tnpk	Pompton Plains, NJ	4,196	20,000	4.77
5900 N Broad St	Philadelphia, PA	7,070	40,000	5.66
591 Route 33	Millstone, NJ	2,162	60,000	27.75
638 E Landis Ave	Vineland, NJ	17,356	50,000	2.88
6th & Spring Garden	Philadelphia, PA	3,737	65,000	17.39
7811 Tylersville Road	West Chester, OH	2,988	85,000	28.45
82 Greenbrook Road	Dunellen, NJ	2,784	70,000	25.14
8340 Germantown Ave	Philadelphia, PA	7,096	20,000	2.82
9 West Somerset Street	Raritan, NJ	8,033	80,000	9.96
Cooper & Delsea	Deptford, NJ	5,160	65,000	12.60
RR1 Box 640	Tannersville, PA	2,070	60,000	28.99
TOTAL/AVERAGE		275,436	$ 2,960,000	$ 10.75

The REIT has secured first mortgage indebtedness from TD Bank, N.A. The following table outlines the loan terms on the debt financing incurred in connection with acquisition of the PNC Properties. The loan will be secured by a mortgage on each of the PNC Properties.

Mortgage Debt Amount	Rate (1)	Maturity Date
$33,398,902	5.25%	November 25, 2013

(1) Rate is the effective yield based on 30-day Libor plus 1.65%, and the effects of an interest rate swap entered into prior to closing on this mortgage.

PNC Bank is a $128.6 billion commercial bank holding company with $76.5 billion in deposits. It is based in Pittsburgh, Pennsylvania, and has more than 1,100 branches, 3,900 automated teller machines and more than 25,000 employees. It is rated S&P AA- and is one of the largest commercial banking companies in the United States ranked by assets and deposits. It offers retail banking, corporate and institutional banking, asset management and global fund processing services. The following information relates to PNC Bank's Parent company, PNC Financial Services Group, Inc.:

Consolidated Statements of Operations (in millions)	Six Months Ended June 30, 2009	For the Fiscal Year Ended 2008	2007	2006
Revenues	$ 7,858	$ 9,680	$ 10,088	$ 11,146
Operating Income	2,872	2,760	3,292	4,782
Net Income	737	882	1,467	2,595

Consolidated Balance Sheets (in millions)	As of June 30, 2009	As of December 31, 2008	2007	2006
Total Assets	$279,754	$ 291,081	$ 138,920	$ 101,820
Total Liabilities	250,287	263,433	122,412	90,147
Stockholders' Equity	29,467	25,422	14,854	10,788

FedEx Freight Facility – Houston, TX

On July 8, 2009, the REIT acquired a newly constructed freight facility net leased to FedEx Freight and guaranteed by FedEx Corporation (the "FedEx Facility"). The REIT's Board of Trustees approved the acquisition of the FedEx Facility in May 2009.

The purchase price for the FedEx Facility is approximately $31.6 million. The purchase price is comprised of a combination of short-term bridge financing and proceeds from the sale of common shares. The Company entered into a one-year bridge credit facility with Amegy Bank of Texas and received proceeds of approximately $15.9 million. The credit facility bears interest at an annual rate of equal to 5.75%. The remaining portion of the purchase price was funded using available funds under the Company's related party bridge facilities and equity capital. The FedEx Facility is a freight facility of 152,640 square feet located in Houston, TX. The current sole tenant of the property is FedEx Freight, a subsidiary of FedEx Corporation ("FedEx") and will remain the sole tenant on a double-net lease basis.

Address	City, State	Purchase Price	Approximate Compensation to Advisor and Affiliates
9010 Jackrabbit Road	Houston, TX	$31,610,000	$468,000

The Fed Ex Facility is net leased to FedEx, pursuant to which FedEx is required to pay substantially all operating expenses (other than the costs to maintain and repair the roof and structure of the building) and capital expenditures in addition to base rent, simultaneously with the acquisition of the properties. The primary lease term is fifteen years, having commenced on October 16, 2008, and provides for up to two successive five-year extensions. Annual rent is approximately $2.6 million for the first year of the initial lease term, and annual rent will increase by 8% every five years.

Address	City, State	Total Square Feet Leased	Year 1 Gross Rent	Rent Per Square Foot	Remaining Lease Term (Years)(1)
9010 Jackrabbit Road	Houston, TX	152,640	$2,600,000	$17.03	14.3

(1) Lease expires on October 16, 2023.

FedEx Corporation, together with its subsidiaries, provides transportation, e-commerce, and business services. It operates in four segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx Kinko's. The FedEx Express segment offers various shipping services for the delivery of packages and freight. This segment also provides international trade services specializing in customs brokerage and global cargo distribution; international trade advisory services; and publishes customs duty and tax information, as well as provides Global Trade Data, an information tool that allows customers to track and manage imports. The FedEx Ground segment provides business and residential money-back-guaranteed ground package delivery services. The FedEx Freight segment offers regional next-day and second-day, and interregional less-than-truckload (LTL) freight services, as well as long-haul LTL freight services. The FedEx Kinko's segment provides document services, such as printing, copying, and binding services; and business services, such as high-speed Internet access and computer rental, videoconferencing, signs and graphics production, and direct mail services. This segment also offers retail products, such as specialty papers, greeting cards, printer cartridges, stationery, and office supplies, as well as provides Web-based services. The company also offers supply chain solutions, including critical inventory logistics, transportation management, fulfillment, and fleet services. FedEx Corporation, formerly known as FDX Corporation, was founded in 1971 and is headquartered in Memphis, Tennessee. FedEx Corporation stock is listed on the New York Stock Exchange, and FedEx has a credit rating of BBB.

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

	For the Fiscal Year Ended		
	5/31/2009	5/31/2008	5/31/2007
Consolidated Statements of Operations (in thousands)			

Revenues	$ 35,497,000	$ 37,953,000	$ 35,214,000
Operating Income	747,000	2,075,000	3,276,000
Net Income	98,000	1,125,000	2,016,000

	As of the Fiscal Year Ended 5/31/2009	5/31/2008	5/31/2007
Consolidated Balance Sheets (in thousands)			
Total Assets	$ 24,244,000	$ 25,633,000	$ 24,000,000
Long-term Debt	1,930,000	1,506,000	2,007,000
Stockholders' Equity	13,626,000	14,526,000	12,656,000

For more detailed financial information regarding FedEx Corporation, please refer to its financial statements, which are publicly available with the Securities and Exchange Commission at http://www.sec.gov.

Walgreens Location – Sealy, TX

On July 17, 2009, the REIT acquired a fee ownership interest in a Walgreens retail location net leased to Walgreens Co.

The purchase price, excluding transaction costs and fees, is approximately $3.8 million and is comprised of a combination of mortgage financing, proceeds from the sale of common shares and funds received from an unaffiliated joint venture partner. The Company entered into a ten-year financing agreement and received proceeds of approximately $1.6 million. The note agreement bears interest at an initial rate of 6.55%. Upon completion of this acquisition, the Company owns an approximate 56% interest in the asset, while the joint venture investor owns an approximate 44% interest. The Walgreens location is a 14,850 square foot retail property located in Sealy, TX. The current sole tenant of the property is Walgreens Co. and will remain the sole tenant on a triple-net lease basis.

Address	City, State	Purchase Price	Approximate Compensation to Advisor and Affiliates
1808 Meyer Street	Sealy, TX	$3,818,000	$54,000

The Walgreens location is net leased to Walgreens Co., pursuant to which Walgreens Co. is required to pay substantially all operating expenses (including all costs to maintain and repair the roof and structure of the building) and capital expenditures in addition to base rent, simultaneously with the acquisition of the properties. The primary lease term is twenty five years, having commenced June 18, 2007, and provides for up to fifty successive one-year extensions. Annual rent is $310,000.

Address	City, State	Total Square Feet Leased	Year 1 Gross Rent	Rent Per Square Foot	Remaining Lease Term (Years)(1)
1808 Meyer Street	Sealy, TX	14,850	$310,000	$20.88	23.0

(1) Lease expires on June 18, 2032.

Walgreens is principally a retail drugstore chain that sells prescription and non-prescription drugs and general merchandise. General merchandise includes, among other things, beauty care, personal care, household items, candy, photofinishing, greeting cards, convenience foods and seasonal items. As of May 31, 2009, Walgreens operated 7,361 locations in 49 states, the District of Columbia, Guam and Puerto Rico. Walgreens Co. was founded in 1901 and is headquartered in Deerfield, IL. Walgreens Co. stock is listed on the New York Stock Exchange, and Walgreens has a credit rating of A+ (Standard & Poor's).

The following information relates to Walgreen Co:

Consolidated Statements of Operations (in millions)	Nine Months Ended May 31, 2009	For the Fiscal Year Ended 2008	2007	2006
Revenues	$ 47,632	$ 59,034	$ 53,762	$ 47,409
Operating Income	2,545	3,441	3,151	2,702
Net Income	1,570	2,157	2,041	1,751

Consolidated Balance Sheets (in millions)	As of May 31, 2009	As of August 31, 2008	2007	2006
Total Assets	$25,143	$ 22,410	$ 19,314	$ 17,131
Total Liabilities	10,956	9,541	8,210	7,015
Stockholders' Equity	14,187	12,869	11,104	10,116

Volume Discounts

The following language replaces the "Volume Discounts" section on pages 145-147 of the Prospectus.

Volume Discounts

We will offer a reduced share purchase price to “single purchasers” on orders of more than $500,000 and selling commissions paid to Realty Capital Securities, LLC and participating broker-dealers will be reduced by the amount of the share purchase price discount. The per share purchase price will apply to the specific range of each share purchased in the total volume ranges set forth in the table below. The reduced purchase price will not affect the amount we receive for investment.

For a “Single Purchaser”

	Purchase Price per Share in Volume Discount Range	Selling Commission per Share in Volume Discount Range
$ 1,000 – $ 500,000	$ 10.00	$ 0.70
500,001 – 1,000,000	9.90	0.60
1,000,001 – 5,000,000 +	9.55	0.25

Any reduction in the amount of the selling commissions in respect of volume discounts received will be credited to the investor in the form of additional shares. Fractional shares will be issued.

As an example, a single purchaser would receive 100,505.05 shares rather than 100,000 shares for an investment of $1,000,000 and the selling commission would be $65,303.03. The discount would be calculated as follows: The purchaser would acquire 50,000 shares at a cost of $10.00 and 50,505.05 at a cost of $9.90 per share and would pay commissions of $0.70 per share for 50,000 shares and $0.60 per share for 50,505.05 shares.

Purchases by participating broker-dealers, including their registered representatives and their immediate family, will be less the selling commission.

Selling commissions for purchases of $5,000,000 or more will, in our sole discretion, be reduced to $0.20 per share or less, but in no event will the proceeds to us be less than $9.20 per share. In the event of a sale of $5,000,000 or more, we will supplement this prospectus to include: (a) the aggregate amount of the sale, (b) the price per share paid by the purchaser and (c) a statement that other investors wishing to purchase at least the amount described in (a) will pay no more per share than the initial purchaser.

Orders may be combined for the purpose of determining the total commissions payable with respect to applications made by a “single purchaser,” so long as all the combined purchases are made through the same soliciting dealer. The amount of total commissions thus computed will be apportioned pro rata among the individual orders on the basis of the respective amounts of the orders being combined. As used herein, the term “single purchaser” will include:

- any person or entity, or persons or entities, acquiring shares as joint purchasers;
- all profit-sharing, pension and other retirement trusts maintained by a given corporation, partnership or other entity;
- all funds and foundations maintained by a given corporation, partnership or other entity;
- all profit-sharing, pension and other retirement trusts and all funds or foundations over which a designated bank or other trustee, person or entity exercises discretionary authority with respect to an investment in our company; and
-

any person or entity, or persons or entities, acquiring shares that are clients of and are advised by a single investment adviser registered under the Investment Advisers Act of 1940.

In the event a single purchaser described in the last five categories above wishes to have its orders so combined, that purchaser will be required to request the treatment in writing, which request must set forth the basis for the discount and identify the orders to be combined. Any request will be subject to our verification that all of the orders were made by a single purchaser.

Orders also may be combined for the purpose of determining the commissions payable in the case of orders by any purchaser described in any category above who, within 90 days of its initial purchase of shares, orders additional shares. In this event, the commission payable with respect to the subsequent purchase of shares will equal the commission per share which would have been payable in accordance with the commission schedule set forth above if all purchases had been made simultaneously. Purchases subsequent to this 90 day period will not qualify to be combined for a volume discount as described herein.

Unless investors indicate that orders are to be combined and provide all other requested information, we cannot be held responsible for failing to combine orders properly.

Purchases by entities not required to pay federal income tax may only be combined with purchases by other entities not required to pay federal income tax for purposes of computing amounts invested if investment decisions are made by the same person. If the investment decisions are made by an independent investment advisor, that investment advisor may not have any direct or indirect beneficial interest in any of the entities not required to pay federal income tax whose purchases are sought to be combined. You must mark the "Additional Investment" space on the subscription agreement signature page in order for purchases to be combined. We are not responsible for failing to combine purchases if you fail to mark the "Additional Investment" space.

If the subscription agreements for the purchases to be combined are submitted at the same time, then the additional common stock to be credited to you as a result of such combined purchases will be credited on a pro rata basis. If the subscription agreements for the purchases to be combined are not submitted at the same time, then any additional common stock to be credited as a result of the combined purchases will be credited to the last component purchase, unless we are otherwise directed in writing at the time of the submission. However, the additional common stock to be credited to any entities not required to pay federal income tax whose purchases are combined for purposes of the volume discount will be credited only on a pro rata basis on the amount of the investment of each entity not required to pay federal income tax on their combined purchases.

California residents should be aware that volume discounts will not be available in connection with the sale of shares made to California residents to the extent such discounts do not comply with the provisions of Rule 260.140.51 adopted pursuant to the California Corporate Securities Law of 1968. Pursuant to this rule, volume discounts can be made available to California residents only in accordance with the following conditions:

- there can be no variance in the net proceeds to us from the sale of the shares to different purchasers of the same offering;
- all purchasers of the shares must be informed of the availability of quantity discounts;
- the same volume discounts must be allowed to all purchasers of shares which are part of the offering;
- the minimum amount of shares as to which volume discounts are allowed cannot be less than $10,000;
- the variance in the price of the shares must result solely from a different range of commissions, and all discounts must be based on a uniform scale of commissions; and
- no discounts are allowed to any group of purchasers.

Accordingly, volume discounts for California residents will be available in accordance with the foregoing table of uniform discount levels based on dollar volume of shares purchased, but no discounts are allowed to any group of purchasers, and no subscriptions may be aggregated as part of a combined order for purposes of determining the number of shares purchased.

Borrowing Policies

The following information is to be added to the material concerning Borrowing Policies on page 74 and 75 of the Prospectus.

Borrowing Policy during the initial period of the offering.

Our operating partnership may, with the approval from our independent board of directors, utilize unsecured revolving equity lines in connection with property acquisitions as opportunities present themselves, which equity shall be repaid as we raise common equity. Currently, we have two such equity lines: (1) up to $10 million dollars provided by certain managing principals of American Realty Capital II, LLC, which as of December 31, 2008 has been called to the extent of $6.5 million, and (2) up to $10 million dollars provided by a joint venture between Cambr Company, Inc., an unrelated party, and certain managing principals of American Realty Capital II, LLC, which as of December 31, 2008 has been called to the extent of $8.4 million.

In addition, short-term bridge equity facilities 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 equity facilities 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. A third party contributed a total of approximately $8 million of preferred but unsecured equity towards the acquisition of the Harleysville Properties and the Rockland Properties. The preferred equity in the Rockland Properties was convertible into shares of common stock in the REIT.

Annual or More Frequent Valuation Requirement

The following information replaces the second paragraph in this section concerning the valuation requirement on Page 121 of the Prospectus:

Unless and until our shares are listed on the New York Stock Exchange or NASDAQ Stock Market it is not expected that a public market for our shares will develop. To assist fiduciaries of Plans subject to the annual reporting requirements of ERISA and IRA trustees or custodians to prepare reports relating to an investment in our shares, we intend to provide reports of our quarterly and annual determinations of the current estimated share value to those fiduciaries (including IRA trustees and custodians) who identify themselves to us and request the reports. Until 18 months after the termination of this offering or the termination of any subsequent offering of our shares, we intend to use the offering price of shares in our most recent offering as the per share value (unless we have made a special distribution to stockholders of net sales proceeds from the sale of one or more properties prior to the date of determination of the per share value, in which case we will use the offering price less the per share amount of the special distribution). As soon as possible after the last offering of our shares, our board of directors will determine the value of our properties and other assets based on such information as our board determines appropriate, which may include independent valuations of our properties or of our enterprise as a whole.

Share Repurchase Program

The following language replaces the “Share Repurchase Program” section on pages 133-134 of the Prospectus.

Share Repurchase Program

Our board of directors has adopted a share repurchase program that enables our stockholders to sell their shares to us in limited circumstances. On November 12, 2008, our board of directors approved certain modifications to this program. Our share repurchase program permits you to sell your shares back to us after you have held them for at least one year, subject to the significant conditions and limitations described below.

Our common stock is currently not listed on a national securities exchange and we will not seek to list our stock until such time as our independent directors believe that the listing of our stock would be in the best interest of our stockholders. In order to provide stockholders with the benefit of interim liquidity, stockholders who have held their shares for at least one year and who purchased their shares from us or received the shares through a non-cash transaction, not in the secondary market, may present all or a portion consisting of the holder's shares to us for repurchase at any time in accordance with the procedures outlined below. At that time, we may, subject to the conditions and limitations described below, redeem the shares presented for repurchase for cash to the extent that we have sufficient funds available to us to fund such repurchase. We will not pay to our board of directors, advisor or its affiliates any fees to complete any transactions under our share repurchase program.

During the term of this offering and any subsequent public offering of our shares, the purchase price per share will depend on the length of time you have held such shares as follows: after one year from the purchase date — 96.25% of the amount you actually paid for each share; and after two years from the purchase date — 97.75% of the amount you actually paid for each share; and after three years from the purchase date — 100% of the amount you actually paid for each share; (in each case, as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to our common stock). At any time we are engaged in an offering of shares, the per share price for shares purchased under our repurchase plan will always be equal to or lower than the applicable per share offering price. Thereafter, the per share purchase price will be based on the greater of $10.00 or the then-current net asset value of the shares as determined by our board of directors (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to our common stock). Our board of directors will announce any purchase price adjustment and the time period of its effectiveness as a part of its regular communications with our stockholders. Our board of directors shall use the following criteria for determining the net asset value of the shares: value of our assets (estimated market value) less the estimated market value of our liabilities, divided by the number of shares. The Board, with advice from the Advisor, (i) will make internal valuations of the market value of its assets based upon the current capitalization rates of similar properties in the market, recent transactions for similar properties acquired by the Company and any extensions, cancellations, modifications or other material events affecting the leases, changes in rents or other circumstances related to such properties, (ii) review internal appraisals prepared by the Advisor following standard commercial real estate appraisal practice and (iii) every three years or earlier, in rotation will have all of the properties appraised by an external appraiser. Upon the death or disability of a stockholder, upon request, we will waive the one-year holding requirement. Shares repurchased in connection with the death or disability of a stockholder will be repurchased at a purchase price equal to the price actually paid for the shares during the offering, or if not engaged in the offering, the per share purchase price will be based on the greater of $10.00 or the then-current net asset value of the shares as determined by our board of directors (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to our common stock). In addition, we may waive the holding period in the event of a stockholder’s bankruptcy or other exigent circumstances.

On November 12, 2008, the Company’s board of directors modified the Share Repurchase Program (“SRP”) to fund purchases under the SRP, not only from the Distribution Reinvestment Plan (“DRIP”), but also from operating funds of the Company. Accordingly, purchases under the SRP, subject to the terms of the SRP, may be funded from the proceeds from the sale of shares under the DRIP, from proceeds of the sale of shares in a public offering, and with other available allocated operating funds. However, purchases under the SRP by the Company will be limited in any calendar year to 5% of the weighted average number of shares outstanding during the prior year. The other terms and conditions of the SRP remain unchanged.

We will redeem our shares on the last business day of the month following the end of each quarter. Requests for repurchases must be received on or prior to the end of the quarter in order for us to repurchase the shares as of the end of the next month. You may withdraw your request to have your shares repurchased at any time prior to the last day of the applicable quarter. Shares presented for repurchase will continue to earn daily distributions up to and including the repurchase date.

If we could not purchase all shares presented for repurchase in any quarter, based upon insufficient cash available and the limit on the number of shares we may redeem during any calendar year, we would attempt to honor repurchase requests on a pro rata basis; provided, however, that we may give priority to the redemption of a deceased or disabled stockholder’s shares. We will treat the unsatisfied portion of the repurchase request as a request for repurchase the following quarter. At such time, you may then (1) withdraw your request for repurchase at any time prior to the last day of the new quarter or (2) without instructions to withdraw your request we will honor your request at such time, if, any, when sufficient funds become available. Such pending requests will generally be honored on a pro rata basis. We will determine whether we have sufficient funds available as soon as practicable after the end of each quarter, but in any event prior to the applicable payment date.

Our board of directors may choose to amend, suspend or terminate our share repurchase program upon 30 days notice at any time. Additionally we will be required to discontinue sales of shares under the distribution reinvestment plan on the earlier of January 25, 2011, which is three years from the effective date of this offering, unless the offering is extended, or the date we sell all of the shares registered for sale under the distribution reinvestment plan, unless we file a new registration statement with the Securities and Exchange Commission and applicable states. Because the repurchase of shares will be partially funded with the net proceeds we receive from the sale of shares under the distribution reinvestment plan, the discontinuance or termination of the distribution reinvestment plan may adversely affect our ability to purchase shares under the share repurchase program. We would notify you of such developments: (i) in the annual or quarterly reports mentioned above, or (ii) by means of a separate mailing to you, accompanied by disclosure in a current or periodic report under the Exchange Act. During this offering, we would also include this information in a prospectus supplement or post-effective amendment to the registration statement, as then required under federal securities laws.

Our share repurchase program is only intended to provide interim liquidity for stockholders until a liquidity event occurs, such as listing of the shares on the New York Stock Exchange or NASDAQ Stock Market, or our merger with a listed company. The share repurchase program will be terminated if the shares become listed on a national securities exchange. We cannot guarantee that a liquidity event will occur.

The shares we purchase under our share repurchase program will be cancelled and return to the status of unauthorized but unissued shares. We do not intend to resell such shares to the public unless such resale is first registered with the Securities and Exchange Commission under the Securities Act and under appropriate state securities laws or otherwise conducted in compliance with such laws.

Asset Management Fee

The following language replaces the information concerning payment of the Asset Management Fee on pages 7 and 55.

We will pay to American Realty Capital Advisors, LLC a yearly fee equal to 1% of the contract purchase price of all the properties payable semiannually based on assets held by us on the measurement date, adjusted for appropriate closing dates for individual property acquisitions.

Risk Factors

The following language is added to the fourth bullet point on the Prospectus cover page.

- Until we generate operating cash flow sufficient to pay distributions to stockholders, our Advisor may waive the reimbursement of certain expenses and payment of certain fees.

The following risk factor should be added to the risk factors disclosed on pages 24-30 under the heading “General Risks Related to Investment in Real Estate.”

Economic conditions may adversely affect our income.

U.S. and international markets are currently experiencing increased levels of volatility due to a combination of many factors, including decreasing values of home prices, limited access to credit markets, higher fuel prices, less consumer spending and fears of a national and global recession. The effects of the current market dislocation may persist as financial institutions continue to take the necessary steps to restructure their business and capital structures. As a result, this economic downturn has reduced demand for space and removed support for rents and property values. Since we cannot predict when the real estate markets will recover, the value of our properties may decline if current market conditions persist or worsen.

Executive Officers and Directors

The following information replaces Brian S. Block's biography on pages ix and 40.

26

Brian S. Block has served as Executive Vice President and Chief Financial Officer since September 2007. He is also Executive Vice President and Chief Financial Officer of American Realty Capital, LLC and American Realty Capital Properties, LLC. Mr. Block is responsible for the accounting, finance and reporting functions at ARC. He has extensive experience in SEC reporting requirements as well as REIT tax compliance matters. Mr. Block has been instrumental in developing ARC's infrastructure and positioning the organization for growth. Mr. Block began his career in public accounting at Ernst & Young and Arthur Andersen from 1994 to 2000. Subsequently, Mr. Block was the Chief Financial Officer of a venture capital-backed technology company for several years prior to joining AFRT in 2002. While at AFRT, Mr. Block served as Chief Accounting Officer from 2003 to 2007 and oversaw the financial, administrative and reporting functions of the organization. He is a certified public accountant and is a member of the AICPA and PICPA. Mr. Block serves on the REIT Committee of the Investment Program Association.

Advisor

The following information replaces the material concerning the executive officers of American Realty Capital Advisors, LLC on Page 46 of the Prospectus.

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

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

Name	Age	Position(s)
Nicholas S. Schorsch	48	Chief Executive Officer
William M. Kahane	61	President, Chief Operating Officer and Treasurer
Peter M. Budko	49	Executive Vice President and Chief Investment Officer
Brian S. Block	37	Executive Vice President and Chief Financial Officer
Michael Weil	42	Executive Vice President and Secretary
Louisa Quarto	41	Senior Vice President
Robert Carfagnini	37	Assistant Vice President

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

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

Dealer Manager

The following information replaces the material concerning the executive officers of Realty Capital Securities, LLC on Page 50-51 of the Prospectus.

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

Realty Capital Securities, LLC provides certain wholesaling, sales, promotional and marketing assistance services to us in connection with the distribution of the shares offered pursuant to this prospectus. It may also sell a limited number of shares at the retail level. The compensation we will pay to Realty Capital Securities, LLC in connection with this offering is described in the section of this prospectus captioned “Management Compensation.” See also “Plan of Distribution — Compensation We Will Pay for the Sale of Our Shares.”

Realty Capital Securities, LLC is controlled by Messrs Schorsch and Kahane and certain other officers. Realty Capital Securities, LLC is an affiliate of both our advisor and the property manager. See “Conflicts of Interest.”

The current officers of Realty Capital Securities, LLC are:

Name	Age	Position(s)
Nicholas Corvinus	61	Chief Executive Officer
Louisa Quarto	41	Co-President
Bradford Watt	50	Co-President
Kamal Jafarnia	43	Executive Vice President and Chief Compliance Officer
Robert Carfagnini	37	Vice President, Operations

The backgrounds of Messrs. Corvinus, Jafarnia, Watt and Carfagnini and Ms. Quarto are described below:

Nicholas Corvinus, age 61, joined American Realty Capital Advisors, LLC and Realty Capital Securities, LLC, in April 2008 and currently serves as CEO of Realty Capital Securities, LLC. Mr. Corvinus brings more than 30 years of financial industry experience in sales, business development and commercial real estate to Realty Capital Securities, LLC. Most recently, he served as Senior Vice President at Behringer Harvard. Additionally, Mr. Corvinus has over 15 years experience at Putnam Retail Management where he last served as Managing Director and was responsible for developing new business, building key relationships with wirehouses and broker-dealers and increasing sales and product recognition. Mr. Corvinus holds FINRA Series 7, 63 and 24 licenses.

Louisa Quarto, age 41, joined Realty Capital Securities, LLC as Senior Vice President, Key Accounts and Compliance in April 2008 and became Co-President in July 2009. Ms. Quarto served as Chief Compliance Officer for Realty Capital Securities, LLC from May 2008 until February 2009. She is also a Senior Vice President of American Realty Capital Advisors, LLC. Ms. Quarto’s responsibilities include overseeing national accounts, operations and compliance activities for Realty Capital Securities. From February 1996 through April 2008 Ms. Quarto was with W. P. Carey & Co. LLC, most recently as Executive Director and Chief Management Officer of Carey Financial, LLC, the broker-dealer subsidiary of W. P. Carey, where she managed relationships with the broker-dealers that were part of the CPA® REIT selling groups. Ms. Quarto earned a Bachelor of Arts from Bucknell University and an MBA in Finance and Marketing from The Stern School of Business at New York University. She holds FINRA Series 7, 63 and 24 licenses and is a member of the Investment Program Association’s (“IPA”) Executive Committee, its Board of Trustees and serves as the IPA’s Treasurer and Chair of its Finance Committee.

Bradford Watt, age 50, joined Realty Capital Securities, LLC as Executive Vice President and National Sales Director in September 2008 and became Co-President in July 2009. Mr. Watt also serves as President and Managing Director of American Realty Capital Exchange, LLC ("ARCX") where he is responsible for structuring and distributing the ARCX's diversified co-ownership and single-owner 1031 programs. Prior to joining American Realty Capital Mr. Watt served as Managing Director and President of Applied Capital Advisors, LLC ("ACA"), an integrated real estate advisory services firm specializing in advising and arranging high-quality real estate portfolios (separately managed accounts) for high net worth and ultra high net worth investors. Prior to forming ACA, Mr. Watt served as Managing Director and Executive Vice President of Cole 1031 Exchange Advisors ("Cole"). Before his tenure at Cole, Mr. Watt held senior positions with Inland Securities Corp. and was Chief Operating Officer for CNL Income and Growth Funds. Mr. Watt has over 25 years experience in structuring, marketing, and managing private and public real estate investment programs. He holds FINRA Series 7, 63 and 24 licenses.

Kamal Jafarnia, age 43, is Executive Vice President and Chief Compliance Officer for Realty Capital Securities and is Senior Vice President for American Realty Capital. Mr. Jafarnia joined Realty Capital Securities in November 2008 and became its Chief Compliance Officer in February 2009. Mr. Jafarnia has more than 15 years experience both as an attorney and as a compliance professional, including 10 years of related industry experience in financial services. Before joining American Realty Capital, he served as Executive Vice President of Franklin Square Capital Partners and as Chief Compliance Officer of FB Income Advisor, LLC, the registered investment adviser to Franklin Square's proprietary offering, where he was responsible for overseeing the regulatory compliance programs for the firm. Prior to Franklin Square Capital Partners, Mr. Jafarnia was Assistant General Counsel and Chief Compliance Officer for Behringer Harvard and Behringer Securities, LP, respectively, where he coordinated the selling group due diligence and oversaw the regulatory compliance efforts. Prior to Behringer Harvard, Mr. Jafarnia worked as Vice President of CNL Capital Markets, Inc. and Chief Compliance Officer of CNL Fund Advisors, Inc. Mr. Jafarnia earned a Bachelor of Arts from the University of Texas at Austin and his law degree from Temple University School of Law in Philadelphia, PA. He is currently participating in the Masters of Laws degree program in Securities and Finance Regulation at the Georgetown University Law Center in Washington, DC. Mr. Jafarnia holds FINRA Series 6, 7, 24, 63 and 65 licenses.

Robert Carfagnini is, and has been since October 2007, Vice President of Operations of Realty Capital Securities, LLC and Assistant Vice President of American Realty Capital Advisors, LLC. Mr. Carfagnini is responsible for managing and developing the transfer agent, escrow agent, custodian and third party relationships for American Realty Capital Trust, Inc. Prior to joining the advisor and dealer-manager, Mr. Carfagnini was employed by Boston Capital, one of the nation's leading real estate financing and investment firms, from 1996 to May 2007. In his ten plus years at Boston Capital, Mr. Carfagnini held many positions in the investor services and broker dealer divisions of the firm, including Assistant Vice President, Director of Investor Services and Operations Manager. He holds FINRA Series 7, 22 and 63 securities licenses. Mr. Carfagnini is a graduate of Salem State College where he received a Bachelor of Science in Business Administration with a Management concentration.

Transfer Agent

The following information replaces the material concerning the transfer agent on pages xii, 142, A-5, and A-9, replacing all contact information listed for ACS Securities Services, Inc.

The name and address of our transfer agent is:

DST Systems, Inc.
430 W 7th St
Kansas City, MO 64105-1407
Phone (866) 771-2088
Fax (877) 694-1113

Management - Certain Relationships and Transactions

The following information should be added to the subsection entitled "Management - Certain Relationships and Transactions" on pages 51-53.

American Realty Capital Exchange, LLC. American Realty Capital Exchange, LLC ("ARCX") is a subsidiary of American Realty Capital Advisors, LLC (the "Advisor"). Persons selling real estate held for investment often seek to reinvest the proceeds of that sale in another real estate investment in an effort to obtain favorable tax treatment under Section 1031 of the Internal Revenue Code. As a result of demand in the market place for this type of offering, our Advisor has developed a program to facilitate these transactions, referred to as like-kind exchanges. ARCX will acquire real estate to be owned in co-tenancy arrangements with persons desiring to engage in such like-kind exchanges ("1031 Participants"). ARCX will acquire the subject property or portfolio of properties and, either concurrently with or following such acquisition, prepare and market a private placement memorandum for the sale of co-tenancy interests in that property - see Section 1031 Exchange Program within the Prospectus .

Bradford L. Watt is the President and Managing Director of ARCX. Additionally, Mr. Watt serves as Co-President at Realty Capital Securities, LLC, the Company's affiliated dealer manager. Prior to joining the Company's affiliated advisor and dealer manager, Mr. Watt served as managing director and President of his own 1031 wealth management company. He previously held key executive positions with three nationally recognized real estate sponsors, and has served as general partner and principal in numerous of private placement equity offerings, specializing in structured finance and sale-leaseback financing.

Affiliated Transactions

The following information should be added to the following subsections, "Investment Decisions" on page 51, "Certain Conflict Resolution Procedures" on pages 63-65, "Acquisition and Investment Policies" on pages 67-68, and "Acquisition of Properties from Affiliates" on pages 80-81:

Effective March 31, 2009, the Board of Directors approved the recommendation of the officers of the Company that the Company not pursue any opportunities to acquire real property from an entity affiliated with its advisor, American Realty Capital Advisor, LLC. The foregoing recommendation shall be reviewed annually by the Board of Directors.

Section 1031 Exchange Program

The following information should be added to the subsection entitled "Section 1031 Exchange Program" on page 81-82.

American Realty Capital Operating Partnership, L.P. (the "Operating Partnership") has transferred forty-nine percent (49%) of its ownership interest in the Federal Express Distribution Facility, located in Snowshoe, Pennsylvania and a

PNC Bank branch, located in Palm Coast, Florida (formerly a National City Property; see page 15 of this Supplement), to American Realty Capital DST, I (the "Trust"), a Section 1031 Exchange Program. Realty Capital Securities has offered and continues to offer membership interests of up to forty-nine percent (49%), or $2,567,000, in the Trust to investors in a private offering. The remaining interests of no less than 51% will be retained by the Operating Partnership. To date, cash payments of $1,724,913 have been accepted by the Operating Partnership.

AMERICAN REALTY CAPITAL TRUST, INC.
INDEX

PART I - Financial Information

Item 1. Financial Statements

AMERICAN REALTY CAPITAL TRUST, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
Real estate investments, at cost:		
Land	$ 22,278,223	$ 22,300,442
Buildings, fixtures and improvements	126,207,009	126,022,191
Acquired intangible lease assets	16,448,018	16,448,018
Total real estate investments, at cost	164,933,250	164,770,631
Less accumulated depreciation and amortization	(6,476,256)	(3,056,449)
Total real estate investments, net	158,456,994	161,714,182
Cash	3,429,763	886,868
Restricted cash	44,729	47,937
Prepaid expenses and other assets	2,481,878	302,472
Deferred financing costs, net	2,668,140	1,990,992
Total assets	$ 167,081,504	$ 164,942,451
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term bridge funds:		
Short-term bridge funds	$ —	$ 11,953,796
Related party bridge facility	3,053,172	8,477,163
Related party convertible bridge revolver	—	6,500,000
Short-term convertible redeemable preferred	—	3,995,000
Total short-term bridge funds	3,053,172	30,925,959
Mortgage notes payable	112,249,667	112,741,810
Long-term notes payable	13,000,000	1,089,500
Below-market lease liabilities, net	9,242,748	9,400,293
Derivatives, at fair value	2,583,274	4,232,865
Due to affiliates	—	2,223,144
Accounts payable and accrued expenses	784,974	1,687,932
Deferred rent and other liabilities	796,975	781,538
Distributions payable	217,476	69,263
Investor contributions held in escrow	30,824	30,824
Total liabilities	141,959,110	163,183,128
Preferred stock, $0.01 par value; 10,000,000 shares authorized, none issued and outstanding	—	—

Common stock, $.01 par value; 240,000,000 shares authorized, 4,332,141 and 1,276,814 shares issued and outstanding at June 30, 2009 and December 31, 2008, respectively	43,321	12,768
Additional paid-in capital	34,274,297	9,219,901
Accumulated other comprehensive loss	(1,607,183)	(2,675,515)
Accumulated deficit	(7,588,041)	(4,797,831)
Total stockholders' equity	25,122,394	1,759,323
Total liabilities and stockholders' equity	$ 167,081,504	$ 164,942,451

The accompanying notes are an integral part of these financial statements

31

AMERICAN REALTY CAPITAL TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Revenues:				
Rental income	$ 2,935,069	$ 1,348,082	$ 5,862,009	$ 1,562,508
Expenses:				
Property management fees to affiliate	—	—	—	4,230
General and administrative	72,298	83,740	197,610	272,599
Depreciation and amortization	1,729,909	736,483	3,459,819	907,960
Total operating expenses	1,802,207	820,223	3,657,429	1,184,789
Operating income	1,132,862	527,859	2,204,580	377,719
Other income (expense):				
Interest expense	(2,318,504)	(1,180,260)	(4,770,129)	(1,371,970)
Interest income	510	1,216	4,979	1,216
Gains on derivative instruments	512,121	196,816	548,966	196,816
Total other expenses	(1,805,873)	(982,228)	(4,216,184)	(1,173,938)
Net loss	$ (673,011)	$ (454,369)	$ (2,011,604)	$ (796,219)
Basic and diluted weighted average common shares outstanding	3,151,715	860,102	2,343,796	497,057
Basic and diluted loss per share	$ (0.21)	$ (0.53)	$ (0.86)	$ (1.60)

The accompanying notes are an integral part of these financial statements

32

AMERICAN REALTY CAPITAL TRUST, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2009
(Unaudited)

	Common Stock					
	Number of Shares	Par Value	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance, December 31, 2008	1,276,814	$ 12,768	$ 9,219,901	$ (4,797,831)	$ (2,675,515)	$ 1,759,323
Issuance of common stock	3,030,568	30,306	30,065,308	—	—	30,095,614
Offering costs, commissions and dealer manager fees	—	—	(5,245,876)	—	—	(5,245,876)
Common stock issued through dividend reinvestment program	24,759	247	234,964	—	—	235,211
Distributions declared	—	—	—	(778,606)	—	(778,606)
Designated derivatives fair value adjustment	—	—	—	—	1,068,332	1,068,332
Net loss	—	—	—	(2,011,604)	—	(2,011,604)
Total comprehensive loss	—	—	—	—	—	(943,272)
Balance, June 30, 2009	4,332,141	$ 43,321	$ 34,274,297	$ (7,588,041)	$ (1,607,183)	$ 25,122,394

The accompanying notes are an integral part of these financial statements

AMERICAN REALTY CAPITAL TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2009	2008
Cash flows from operating activities:		
Net loss	$ (2,011,604)	$ (796,219)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,764,275	760,540
Amortization of intangibles	695,544	147,420
Amortization of deferred finance costs	276,445	32,162
Accretion of below-market lease liability	(157,545)	-
Gains on derivative instruments	(548,966)	(196,816)
Changes in assets and liabilities:		
Prepaid expenses and other assets	(2,219,418)	(125,004)
Accounts payable and accrued expenses	(935,251)	603,201
Due to affiliates	(2,223,144)	-
Deferred rent and other liabilities	15,437	501,040
Net cash (used in) provided by operating activities	(4,344,227)	926,324
Cash flows from investing activities:		
Investment in real estate and other assets	(162,619)	(39,917,898)
Net cash used in investing activities	(162,619)	(39,917,898)
Cash flows from financing activities:		
Proceeds on mortgage notes payable	-	28,407,500
Payments on mortgage notes payable	(492,143)	(72,426)
Payments on related party bridge facility	(5,423,991)	-
Proceeds on related party convertible bridge revolver	-	6,500,000
Payments on related party convertible bridge revolver	(6,500,000)	-
Payments on short-term bridge funds	(11,953,796)	-
Payments on short-term convertible redeemable preferred	(3,995,000)	-
Proceeds from long-term notes payable	11,910,500	-
Proceeds from issuance of common stock, net	24,849,738	5,621,789
Payments of deferred financing costs	(953,593)	(838,829)
Distributions paid	(395,182)	(57,291)
Restricted cash	3,208	(42,500)
Net cash provided by financing activities	7,049,741	39,518,243
Net increase in cash	2,542,895	526,669
Cash, beginning of period	886,868	—
Cash, end of period	$ 3,429,763	$ 526,669
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Debt assumed in real estate acquisitions	$ —	$ 41,918,796
Common share issuance in real estate acquisition	$ —	$ 2,609,971

Investor contributions held in escrow	$	—	$	472,548
Non-cash acquisition costs	$	—	$	76,300
Cash paid for interest	$	4,909,397	$	970,481

The accompanying notes are an integral part of these financial statements

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Note 1 — Organization

American Realty Capital Trust, Inc. (the “Company”), incorporated on August 17, 2007, is a newly formed Maryland corporation that qualified as a real estate investment trust (“REIT”) for federal income tax purposes during the taxable year ended December 31, 2008. On January 25, 2008, the Company commenced an initial public offering on a “best efforts” basis of up to 150,000,000 shares of common stock offered at a price of $10.00 per share, subject to certain volume and other discounts, pursuant to a Registration Statement on Form S-11 filed with the Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “Offering”). The Registration Statement also covered up to 25,000,000 shares available pursuant to a distribution reinvestment plan (the “DRIP”) under which our stockholders may elect to have their distributions reinvested in additional shares of the Company’s common stock at the greater of $9.50 per share or 95% of the estimated value of a share of common stock. The Company sold 20,000 shares to American Realty Capital II, LLC (the “Sponsor”) on August 17, 2007, at $10.00 per share. As of June 30, 2009, the Company issued 4,332,141 shares of common stock, including 339,077 shares issued in connection with an acquisition in March 2008. Total gross proceeds from these issuances were $42,050,937. As of June 30, 2009, the aggregate value of all share issuances and subscriptions outstanding was $45,325,046 based on a per share value of $10.00 (or $9.50 for shares issued under the DRIP). This amount includes stock subscriptions of $2,023,896 which are maintained at the Company’s third-party escrow agent, to be released when certain escrow requirements have been achieved.

Substantially all of the Company’s business is conducted through American Realty Capital Operating Partnership, L.P. (the “OP”), a Delaware limited partnership. The Company is the sole general partner of and owns a 99.01% partnership interest in the OP. American Realty Capital Advisors, LLC (the “Advisor”), the Company’s affiliated advisor, is the sole limited partner and owner of 0.99% (minority interest) of the partnership interests of the OP. In March 2008, the OP issued to the Company 20,000 Operating Partnership units in exchange for $200,000. Additionally, in April 2008, the Advisor contributed $2,000 to the Operating Partnership in exchange for a 0.99% limited partner interest in the Operating Partnership. The limited partner interests have the right to convert Operating Partnerships units into cash or, at the option of the Company, an equal number of common shares of the Company, as allowed by the limited partnership agreement. The remaining rights of the limited partner interests are limited, however, and do not include the ability to replace the general partner or to approve the sale, purchase or refinancing of the Operating Partnership’s assets.

The Company acquires and operates commercial properties. All such properties may be acquired and operated by the Company alone or jointly with another party. As of June 30, 2009, the Company owned 92 properties comprising approximately 713,000 square feet of freestanding, single tenant commercial space. As of June 30, 2009, these properties were 100% occupied. The following table lists tenants whose rental income represented greater than 10% of consolidated income for the six months ended June 30, 2009 and 2008:

	Six Months Ended June 30,	
	2009	2008
PNC Bank	32%	-%
Harleysville National Bank	27%	58%
Rockland Trust Company	22%	27%
Rite Aid	13%	-%

Federal Express (a)	-%	15%

(a) Percentage for the six months ended June 30, 2009 was approximately 6%.

No other tenant represents more than 10% of the rental income for the periods presented.

The Company is managed by the Advisor and American Realty Capital Properties, LLC, which serves as the Company's property manager (the "Property Manager"). Realty Capital Securities, LLC (the "Dealer Manager"), an affiliate of the Sponsor, serves as the dealer manager of the Company's Offering. These related parties receive compensation and fees for services related to the Offering and for the investment and management of the Company's assets. These entities receive fees during the offering, acquisition, operational and liquidation stages. The compensation levels during the offering, acquisition and operational stages are discussed in Note 10 — Related Party Transactions and Arrangements.

The Company's stock is not currently listed on a national securities exchange. The Company may seek to list its stock for trading on a national securities exchange only if a majority of its independent directors believe listing would be in the best interest of its stockholders. The Company does not intend to list its shares at this time. The Company does not anticipate that there would be any market for its common stock until its shares are listed for trading. In the event it does not obtain listing prior to the tenth anniversary of the completion or termination of the Offering, its charter requires that it either: (i) seek stockholder approval of an extension or amendment of this listing deadline; or (ii) seek stockholder approval to adopt a plan of liquidation of the corporation.

REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or consolidated pursuant to the rules and regulations of the Securities and Exchange Commission. Management believes, however, that the disclosures are adequate to make the information presented not misleading. The unaudited interim consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto included in the Company’s annual report on Form 10-K for the year ended December 31, 2008. In management’s opinion, all adjustments necessary to present fairly the consolidated financial position of the Company and the consolidated results of its operations and its cash flows, have been included in these consolidated interim financial statements. The results of operations for such interim periods are not necessarily indicative of the results for the full year.

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.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, the OP. Substantially all of the Company’s business activities are conducted through this subsidiary. The OP consolidates various special purpose entities which hold interests in real estate investments. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, investments in real estate, purchase price allocations and derivative financial instruments and hedging activities, as applicable.

Real Estate Investments

The Company records acquired real estate at cost and makes assessments as to the useful lives of depreciable assets. The Company considers the period of future benefit of the asset to determine the appropriate useful lives. Depreciation is computed using the straightline method over the estimated useful lives of 40 years for buildings, five to ten years for building fixtures and improvements and the remaining lease term for acquired intangible lease assets.

Impairment of Long Lived Assets

The Company follows Statement of Financial Accounting Standards (“SFAS”) No.144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS No. 144”), which establishes a single accounting model for the impairment or disposal of long-lived assets. SFAS No.144 requires that the operations related to properties that have been sold or properties that are intended to be sold be presented as discontinued operations in the statement of operations for all periods presented, and properties intended to be sold to be designated as “held for sale” on the balance sheet.

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.

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Allocation of Purchase Price of Acquired Assets

Upon the acquisition of real properties, it is the Company's policy to allocate the purchase price of properties to acquired tangible assets, consisting of land, building, fixtures and improvements, and identified intangible lease assets and liabilities, consisting of the value of above-market and below-market leases, as applicable, other value of in-place leases and value of tenant relationships, based in each case on their fair values. The Company utilizes independent appraisals and information management obtained on each property as a result of pre-acquisition due diligence, as well as subsequent marketing and leasing activities, as applicable, to determine the fair values of the tangible assets of an acquired property (which includes land and building), amongst other market data.

The fair values of above-market and below-market in-place lease values are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (a) the contractual amounts to be paid pursuant to the in-place leases and (b) an estimate of fair market lease rates for the corresponding in-place leases, which is generally obtained from independent appraisals, measured over a period equal to the remaining non-cancelable term of the lease. The above-market and below-market lease values are capitalized as intangible lease assets or liabilities and amortized as an adjustment of rental income over the remaining terms of the respective leases.

The fair values of in-place leases include direct costs associated with obtaining a new tenant, opportunity costs associated with lost rentals which are avoided by acquiring an in-place lease, and tenant relationships. Direct costs associated with obtaining a new tenant include commissions, tenant improvements, and other direct costs and are estimated based on independent appraisals and management's consideration of current market costs to execute a similar lease. These direct costs are included in acquired intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases. The value of opportunity costs is calculated using the contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. Customer relationships are valued based on expected renewal of a lease or the likelihood of obtaining a particular tenant for other locations. These intangibles will be included in intangible lease assets in the balance sheet and are amortized to expense over the remaining term of the respective leases.

The determination of the fair values of the assets and liabilities acquired requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, discount rates and other variables. The use of inappropriate estimates would result in an incorrect assessment of the purchase price allocations, which could impact the amount of the Company's reported net income. Initial purchase price allocations are subject to change until all information is finalized, which is generally within one year of the acquisition date.

As of June 30, 2009 and December 31, 2008, acquired lease intangible assets consisted of above-market leases and in-place lease intangibles totaling $16,448,018, with accumulated amortization of $1,217,600 and $522,056, as of June 30, 2009 and December 31, 2008, respectively. The estimated amortization expense for the years 2009, 2010, 2011, 2012 and 2013 will be approximately $1,043,000, $1,391,000, $1,391,000, $1,391,000 and $1,391,000, respectively. In addition, below-market lease liabilities totaled $9,426,551with accumulated amortization of $183,803 and $26,258 as of June 30, 2009 and December 31, 2008, respectively. The estimated accretion to revenues for the years 2009, 2010, 2011, 2012 and 2013 will be approximately $236,000, $315,000, $315,000, $315,000, and $315,000, respectively.

37

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Derivative Instruments

The Company may use derivative financial instruments to hedge all or a portion of the interest rate risk associated with its borrowings. Certain of the techniques used to hedge exposure to interest rate fluctuations may also be used to protect against declines in the market value of assets that result from general trends in debt markets. The principal objective of such agreements 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.

SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133," ("SFAS No. 161"), amends and expands the disclosure requirements of SFAS No. 133, "Accounting For Derivative Instruments and Hedging Activities," ("SFAS No. 133") with the intent to provide users of financial statements with an enhanced understanding of: (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about the fair value of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative instruments.

As required by SFAS No. 133, the Company records all derivatives on the balance sheet 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 under SFAS No. 133.

Investor contributions held in Escrow

The Company is currently engaged in a public offering of its common stock. Included in investor contributions held in escrow on the accompanying balance sheets is $30,824 of offering proceeds for which shares of common stock had not been issued as of June 30, 2009.

Revenue Recognition

Upon the acquisition of real estate, certain properties will have leases where minimum rent payments increase during the term of the lease. The Company will record rental revenue for the full term of each lease on a straightline basis.

When the Company acquires a property, the term of existing leases is considered to commence as of the acquisition date for the purposes of this calculation. Cost recoveries from tenants are included in tenant reimbursement income in the period the related costs are incurred, as applicable.

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. Since many of the 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. The Company defers the revenue related to lease payments received from tenants in advance of their due dates.

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 will record an increase in the allowance for uncollectible accounts or record a direct write-off of the receivable in the consolidated statements of operations.

Organization, Offering, and Related Costs

Organization and offering costs (other than selling commissions and the dealer manager fee) of the Company may be paid by the Advisor, the Dealer Manager or their affiliates on behalf of the Company. Such organization and offering costs include all expenses to be paid by the Company in connection with the Offering, including but not limited to (i) legal, accounting, printing, mailing, and filing fees; (ii) escrow related fees; (iii) reimbursement of the Dealer Manager for amounts it may pay to reimburse the bona fide diligence expenses of broker-dealers; and (iv) reimbursement to the Advisor for the salaries of its employees and other costs in connection with preparing supplemental sales materials. Pursuant to the Advisory Agreement and the Dealer Manager Agreement, the Company is obligated to reimburse the Advisor or its affiliates, as applicable, for organization and offering costs paid by them on behalf of the Company, provided that the Advisor is obligated to reimburse the Company to the extent organization and offering costs (excluding selling commissions, the dealer manager fee and bonafide due diligence cost reimbursements) incurred by the Company in the Offering exceed 1.5% of gross offering proceeds. As a result, these costs are only a liability of the Company to the extent selling commissions, the dealer manager fee and other organization and offering costs do not exceed 15% of the gross proceeds of this Offering – See Note 10 – Related Party Transactions and Arrangements.

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Reportable Segments

The Financial Accounting Standards Board ("FASB") issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," ("SFAS No. 131"), which establishes standards for reporting financial and descriptive information about an enterprise's reportable segments. The Company 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 comprised 100% of our total consolidated revenues for the three and six-month periods ended June 30, 2009 and 2008. Although the Company's investments in real estate will be geographically diversified throughout the United States, management evaluates operating performance on an individual property level. The Company's properties have been aggregated into one reportable segment.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS No. 141(R)"). SFAS No. 141(R) expands the definition of a business combination and requires the fair value of the purchase price of an acquisition, including the issuance of equity securities, to be determined on the acquisition date. SFAS No. 141(R) also requires that all assets, liabilities, contingent considerations, and contingencies of an acquired business be recorded at fair value at the acquisition date. In addition, SFAS No. 141(R) requires that acquisition costs generally be expensed in the period incurred and changes in accounting for deferred tax asset valuation allowances and acquired income tax uncertainties after the measurement period to impact income tax expense. SFAS No. 141(R) is effective for fiscal years beginning on or after December 15, 2008 with early adoption prohibited. The effective date for the Company is January 1, 2009. The adoption of SFAS No. 141(R) did not have a material effect on the Company's results of operations and financial position.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements - an amendment of Accounting Research Bulletin No. 51," ("SFAS No. 160"), which requires companies to measure an acquisition of noncontrolling (minority) interest at fair value in the equity section of the acquiring entity's balance sheet. The objective of SFAS No. 160 is to improve the comparability and transparency of financial data as well as to help prevent manipulation of earnings. The changes introduced by the new standards are likely to affect the planning and execution, as well as the accounting and disclosure, of merger transactions. The effective date to adopt SFAS No. 160 for the Company is January 1, 2009. The adoption of SFAS No. 160 did not have a material effect on its results of operations and financial position.

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities,” an amendment of SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” (“SFAS No. 161”), requires entities to provide greater transparency about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, and how derivative instruments and related hedged items affect an entity’s financial position, results of operations, and cash flows. The statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The adoption of SFAS No. 161 did not have a material effect on the Company’s results of operations and financial position.

In April 2008, the FASB issued FASB Staff Position (“FSP”) No. 142-3, which amends the factors that must be considered in developing renewal or extension assumptions used to determine the useful life over which to amortize the cost of a recognized intangible asset under SFAS No. 142, “Goodwill and Other Intangible Assets.” The FSP requires an entity to consider its own assumptions about renewal or extension of the term of the arrangement, consistent with its expected use of the asset, and is an attempt to improve consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141, “Business Combinations.” The FSP is effective for fiscal years beginning after December 15, 2008, and the guidance for determining the useful life of a recognized intangible asset must be applied prospectively to intangible assets acquired after the effective date. The adoption of the FSP did not have a significant impact on the Company’s results of operations, financial condition or liquidity.

In June 2008, the FASB issued FSP Emerging Issues Task Force (“EITF”) No. 03-6-1, “Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities.” Under the FSP, unvested share-based payment awards that contain rights to receive nonforfeitable dividends (whether paid or unpaid) are participating securities, and should be included in the two-class method of computing EPS. The FSP is effective for fiscal years beginning after December 15, 2008, and interim periods within those years. The adoption of the FSP did not have a material effect on the Company’s results of operations and financial position.

In May 2009, the FASB issued SFAS No. 165, “Subsequent Events” (“SFAS No. 165”), which establishes accounting standards for recognition and disclosure of events that occur after the balance sheet date but before financial statements are issued. These standards are essentially similar to current accounting principles with few exceptions that do not result in a change in general practice. This SFAS is effective on a prospective basis for interim or annual financial periods ending after June 15, 2009. The Company adopted this pronouncement effective June 30, 2009. The required disclosures upon adoption of this statement can be found in Note 14.

In April 2009, the FASB issued FSP SFAS No. 107-1 and APB Opinion No. 28-1, “Interim Disclosures about Fair Value of Financial Instruments,” (“FSP SFAS No. 107-1 and APB Opinion No. 28-1”). FSP SFAS No. 107-1 and APB Opinion No. 28-1 requires fair value disclosures for financial instruments that are not reflected in the Condensed Consolidated Balance Sheets at fair value. Prior to the issuance of FSP SFAS No. 107-1 and APB Opinion No. 28-1, the fair values of those assets and liabilities were disclosed only once each year. With the issuance of FSP SFAS No. 107-1 and APB Opinion No. 28-1, this information will be required to be disclosed on a quarterly basis, providing quantitative and qualitative information about fair value estimates for all financial instruments not measured in the Condensed Consolidated Balance Sheets at fair value. FSP SFAS No. 107-1 and APB Opinion No. 28-1 was adopted by the Company in the second quarter of 2009. The adoption of this staff position did not have a material impact on the Company's results of operations or financial position.

In April 2009, the FASB issued FSP SFAS No. 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly ("FSP SFAS No. 157-4"). FSP SFAS No. 157-4 clarifies the methodology used to determine fair value when there is no active market or where the price inputs being used represent distressed sales. FSP SFAS No. 157-4 also reaffirms the objective of fair value measurement, as stated in SFAS No. 157, "Fair Value Measurements," which is to reflect how much an asset would be sold for in an orderly transaction. It also reaffirms the need to use judgment to determine if a formerly active market has become inactive, as well as to determine fair values when markets have become inactive. FSP SFAS No. 157-4 was adopted by the Company in the second quarter of 2009. The adoption of this staff position did not have a material impact on the Company's results of operations or financial position.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles ("SFAS No. 168"). SFAS No. 168 requires that the FASB Accounting Standards Codification (the "Codification") become the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. Once the Codification is in effect, all of its content will carry the same level of authority, effectively superseding SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles. SFAS No. 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Company expects that the adoption of SFAS 168 will not have a significant impact on its financial statements or disclosures.

In June 2009, the FASB issued Statement No. 167, Amendments to FASB Interpretation No. 46(R) ("SFAS 167"). SFAS 167 changes how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The determination of whether a company is required to consolidate an entity is based on, among other things, an entity's purpose and design and a company's ability to direct the activities of the entity that most significantly impact the entity's economic performance. SFAS No. 167 will be applied prospectively and will be effective for interim and annual reporting periods ending after November 15, 2009. The adoption of this statement is not anticipated to have a material impact on the Company's consolidated financial statements.

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Note 3 — Real Estate Acquisitions

No real estate investments were acquired during the six months ended June 30, 2009. The following table represents the Company's real estate portfolio as of June 30, 2009:

Seller / Property Name	Acquisition Date	No. of Buildings	Square Feet	Remaining Lease Term (1)	Base Purchase Price (2)	Capitalization Rate (3)	Total Purchase Price (4)	
Federal Express Distribution Center	March 2008	1	55,440	9.42	$ 9,694,179	7.53%	10,207,674	$
Harleysville National Bank Portfolio	March 2008	15	177,774	13.51	40,976,218	7.48%	41,675,721	
Rockland Trust Company Portfolio	May 2008	18	121,057	12.09	32,188,000	7.86%	33,117,419	
PNC Bank (formally National City Bank)	Sept. & Oct. 2008	2	8,403	19.64	6,663,786	8.21%	6,853,419	
Rite Aid Portfolio	September 2008	6	74,919	14.04	18,575,727	7.79%	18,839,392	
PNC Bank Portfolio	November 2008	50	275,436	9.42	42,285,714	7.35%	44,813,074	
Total		92	713,029	12.10	$ 150,383,624	7.60%	155,506,699	$

(1) Remaining lease term as of June 30, 2009, in years. If the portfolio has multiple locations with varying
- lease expirations, the remaining lease term is calculated on a weighted-average basis.

(2) Contract purchase price excluding acquisition related costs.
-

(3) Net operating income divided by base purchase price.
-

(4) Base purchase price plus all acquisition related costs.
-

(5) Annualized 2009 rental income less property operating expenses, as applicable.
-

41

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Note 4 — Mortgage Notes Payable

The following table represents the mortgages outstanding as of June 30, 2009:

Property	Encumbered Properties		Outstanding Loan Amount	Effective Interest Rate		Interest Rate	Maturity
Federal Express Distribution Center	1	$	6,965,000	6.29 %		Fixed	September 2037
Harleysville National Bank Portfolio	15		31,000,000	6.59 %	(1)	Fixed	January 2018
Rockland Trust Company Portfolio	18		23,880,175	4.92 %	(2)	Variable	May 2013
PNC Bank (formally National City Bank)	2		4,447,953	4.89 %	(3)	Variable	September 2013
Rite Aid Portfolio	6		12,808,265	6.97 %		Fixed	September 2017
PNC Bank Portfolio	50		33,148,274	5.25 %	(4)	Variable	November 2013
Total	92	$	112,249,667				

---

(1) - The effective interest rate resets at the end of year five to the then current 5-year Treasury rate plus 2.25%, but in no event will be less than 6.5%.

(2) - The Company limited its interest rate exposure by entering into a rate lock agreement with a LIBOR floor and cap of 3.54% and 4.125% (initial year), respectively.

(3) - The Company limited its interest rate exposure by entering into a rate lock agreement with a LIBOR floor and cap of 3.37% and 4.45% (initial year), respectively, for a notional contract amount of approximately $4,115,000 and a fixed rate of 3.565% on a notional contract amount of approximately $385,000.

(4) The Company limited its interest rate exposure by entering into a rate lock agreement that swapped the underlying variable rate for a fixed rate of 3.60%, plus a spread of 1.65%.

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

The following table summarizes the scheduled aggregate principal repayments for the five years subsequent to June 30, 2009:

	Mortgage Notes
2009 (Remaining portion of year)	$ 483,371
2010	1,012,332
2011	1,855,075
2012	1,991,443
2013	58,780,586
2014 and thereafter	48,126,860
Total	$ 112,249,667

As of June 30, 2009, the Company was in compliance with the its debt covenants under the loan agreements.

Note 5 — Long-Term Notes Payable

As of June 30, 2009, the Company had issued $13,000,000 of notes payable (the "Notes") in a private placement pursuant to Rule 506 of Regulation D promulgated under the Securities Act. The proceeds of the private placement were used to repay the short-term bridge equity (see Note 8 – Bridge Equity).

The Notes bear interest at 9.0% annually, provided that the interest rate will be adjusted to 9.57% annually for Notes on which the Company does not incur a selling commission. The Company will pay interest-only monthly payments to subscribers of the Notes until the maturity on December 15, 2011. The Company has the right to extend the maturity date for two additional one-year periods.

The Company has the right to prepay the Notes in whole or in part any time following the first anniversary of the closing date. If repaid on or before the second anniversary of the closing date, the Company will pay 2% of the remaining amount due on the Notes as a prepayment premium. If repaid after the second anniversary of the closing date but before the third anniversary of the closing date, the Company will pay 1% of the remaining amount due on the Notes as a prepayment premium. The foregoing not withstanding, the Company shall have the right to repay the amount due under the Notes in whole or in part without penalty within 360 days of the maturity date. The Company will not have the right to prepay the amount due under the notes during the two optional extension periods. The Notes are unsecured.

The Company is required to prepay the Notes out of any proceeds derived from the sale or refinancing of the PNC Bank properties after any required payments of the principal and interest due under the mortgage notes payable on those properties (see Note 4 – Mortgage Notes Payable). Such prepayment is subject to the prepayment premiums described above.

As of June 30, 2009, the Company was in compliance with all covenants included within the Note agreement.

Note 6 — Fair Value of Financial Instruments

Effective January 1, 2008, the Company adopted the provisions of SFAS No. 157, “Fair Value Measurements,” (“SFAS No. 157”) which did not have a material effect on the Company’s consolidated financial statements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The SFAS No. 157 framework for measuring fair value requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. 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. SFAS No. 157’s hierarchy defines three levels of inputs that may be used to measure fair value:

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

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. However, as of June 30, 2009, 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 following table presents information about the Company's assets (including derivatives that are presented net) measured at fair value on a recurring basis as of June 30, 2009, aggregated by the level in the fair value hierarchy within with those instruments fall:

	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Balance as of June 30, 2009
Total derivatives, net	$ —	$ 2,583,274	$ —	$ 2,583,274

SFAS No. 107, "Disclosures About Fair Value of Financial Instruments," requires disclosure of the fair value of financial instruments for which it is practicable to estimate that value. The fair value of short-term financial instruments such as cash, restricted cash, due to affiliates, related party bridge facility and accounts payable and accrued expenses approximates their carrying value on the consolidated balance sheet. In addition, the fair value of long term notes payable approximates carrying value on the consolidated balance sheets.

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:

	Fair Value of Financial Instruments			
	June 30, 2009		December 31, 2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Mortgage notes payable	$ 112,249,667	$ 104,334,437	$ 112,741,810	$ 105,617,656

Note 7 — Derivative and Hedging Activities

Risk Management Objective of Using Derivatives

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. 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 others purposes other than interest rate 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 of the counterparties will fail to meet their obligations.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives 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 and collars as part of its interest rate risk management strategy. 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. Interest rate collars designated as cash flow hedges involve the receipt of variable-rate amounts if interest rates rise above the cap strike rate on the contract and payments of variable-rate amounts if interest rates fall below the floor strike rate on the contract.

During 2009, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt. 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 and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During the three and six months ended June 30, 2009, the Company recorded income (loss) of $64 and a ($311), respectively, related to hedge ineffectiveness in earnings.

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. During the next twelve months, the Company estimates that an additional $1,055,502 will be reclassified as an increase to interest expense.

As of June 30, 2009, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Interest Rate Derivative	Number of Instruments		Notional
Interest Rate Swaps	2	$	33,347,101
Interest Rate Collars	1	$	4,115,268

Non-Designated Hedges

Derivatives not designated as hedges are not speculative and are used to manage the Company's exposure to interest rate movements and other identified risks but do not meet the strict hedge accounting requirements of SFAS 133. The Company has one interest rate collar contract outstanding, with an aggregate notional amount of $23,901,052 at June 30, 2009, with an established ceiling and floor for the underlying variable rate at 4.125% and 3.54%, respectively. This contract was not able to be designated under SFAS No. 133 as it does not qualify for hedge accounting based on the results of the net written option test. As such, all changes in the fair value of the interest rate collar have been included in the Company's statement of operations for the three and six months ended June 30, 2009. For the three and six months ended June 30, 2009, the Company has recorded income of $322,386 and $179,550, respectively. For the three and six months ended June 30, 2008, the Company recorded a loss of $196,816.

Tabular Disclosure of Fair Values of Derivative Instruments on the Balance Sheet

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the Balance Sheet as of June 30, 2009:

	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments under SFAS No. 133		
Interest Rate Products	Derivatives, at fair value	($1,515,754)
Derivatives not designated as hedging instruments under SFAS No. 133		
Interest Rate Products	Derivatives, at fair value	($1,067,520)

Tabular Disclosure of the Effect of Derivative Instruments on the Income Statement

The tables below present the effect of the Company's derivative financial instruments on the Consolidated Statements of Operations for the three and six months ended June 30, 2009:

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Derivatives in SFAS No. 133 Cash Flow Hedging Relationships

Derivatives in SFAS No. 133 Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	
	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Interest Rate Derivatives	$708,810	$483,073

Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)		Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	
	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009		Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Interest Expense	($300,348)	($585,258)	Gains (Losses) on Derivative Instruments	$64	($311)

Derivatives Not Designated as Hedging Instruments Under SFAS No. 133

Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income on Derivative Three Months Ended June 30, 2009		Six Months Ended June 30, 2009	
Interest expense	$	(189,671)	$	(369,727)
Gains (losses) on derivative instruments		512,057		549,277
Total	$	322,386	$	179,550

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.

The Company has agreements with several of its derivative counterparties that incorporate the loan covenant provisions of the Company's indebtedness with a lender affiliate of the derivative counterparty. Failure to comply with the loan covenant provisions would result in the Company being in default on any derivative instrument obligations covered by the agreement.

As of June 30, 2009, the fair value of derivatives in a net liability position, related to these agreements was $2,583,274. As of June 30, 2009, the Company has 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 at June 30, 2009, it could have been required to settle its obligations under the agreements at their aggregate termination value of $2,848,995.

Note 8 — Bridge Equity

During the year ended December 31, 2008, the OP entered into an agreement with the principals of the Advisor whereby the OP can make use of unsecured equity financing from the principals up to $10.0 million from time to time as needed to provide short-term bridge equity relating to property acquisitions and for general working capital purposes. Such short-term bridge equity is expected to be satisfied within a six-month period and will accrue a yield at 8%. In November 2008, the board approved an extension of the satisfaction period of an additional six months. In connection with the acquisition of the Harleysville National Bank and the Rockland Trust Company portfolios, the Company obtained bridge equity of $4.0 and $2.5 million, respectively. In March 2008, the Agreement was modified to allow outstanding draws to be converted into common shares at $9.00 per share at the Company’s election. These funds were repaid in full during the three months ended June 30, 2009.

During the year ended December 31, 2008, the REIT entered into an unsecured bridge equity facility with a related party, American Realty Capital Equity Bridge, LLC (“ARC Bridge”), whereby the REIT can obtain up to $10.0 million from time to time as needed to provide short-term equity financing relating to property acquisitions and for general working capital purposes - see Note 10 — Related-Party Transactions and Arrangements. During the six months ended June 30, 2009, the Company satisfied approximately $5.4 million of unsecured bridge equity. Such repayments were funded by proceeds from the sale of the Company’s common shares. The outstanding balance on the related party bridge equity facility was $3,053,172 as of June 30, 2009.

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

During the year ended December 31, 2008, the REIT obtained short-term bridge equity and short-term convertible redeemable preferred equity of approximately $12.0 million and $4.0 million, respectively, from an unrelated third party. The bridge equity bore fixed preferred yields of between 8.0% and 12.49% and was satisfied, during the first quarter of 2009, from proceeds received from the issuance of notes payable, an additional drawdown on the related party bridge revolver and proceeds from the Company's Offering. The short-term convertible redeemable preferred equity of approximately $4.0 million bore a fixed preferred yield of 14.27% and was satisfied in May 2009, from proceeds received from the issuance of notes payable and proceeds from the Company's Offering. Such amounts were non-recourse.

Note 9 — Commitments and Contingencies

Litigation

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

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. The Company has not been notified by any governmental authority of any non-compliance, liability or other claim, and the Company is not aware of any other environmental condition that it believes will have a material adverse effect on the consolidated results of operations.

Note 10 — Related-Party Transactions and Arrangements

Certain affiliates of the Company receive, and will continue to receive, fees and compensation in connection with the sale of the Company's common stock, and the acquisition, management and sale of the assets of the Company. The Dealer Manager receives, and will continue to receive, a selling commission of up to 7.0% of gross offering proceeds before reallowance of commissions earned by participating broker-dealers. The Dealer Manager reallows, and intends to continue to reallow, 100% of commissions earned to participating broker-dealers. In addition, the Dealer Manager will receive up to 3.0% of the gross proceeds from the Offering, before reallowance to participating broker-dealers, as a dealer-manager fee. The Dealer Manager, in its sole discretion, may reallow all or a portion of its dealer-manager fee to such participating broker-dealers, based on such factors as the volume of shares sold by such participating broker-dealers and marketing support incurred as compared to those of other participating broker-dealers. No selling commissions or dealer-manager fees are paid to the Dealer Manager with respect to shares sold under the DRIP. During the three and six months ended June 30, 2009, the Company paid $2,125,868, and $2,831,880, respectively, to the Dealer Manager for commissions and dealer manager fees, of which $150,479 and $195,489, was reallowed to participating broker-dealers for the three and six months ended June 30, 2009, respectively. During the three and six months ended June 30, 2008, the Company paid $37,206, and $0, respectively, to the Dealer Manager for commissions and dealer manager fees, of which $0 and was reallowed to participating broker-dealers.

All organization and offering expenses associated with the sale of the Company's common stock (excluding selling commissions and the dealer-manager fee) are paid for by the Advisor or its affiliates and are reimbursed by the

Company up to 1.5% of gross offering proceeds. The Advisor receives an acquisition and advisory fee of 1.0% of the contract purchase price of each acquired property and will be reimbursed for acquisition costs incurred in the process of acquiring properties, but not to exceed 0.5% of the contract purchase price. In no event will the total of all fees and acquisition expenses payable with respect to a particular property or investment exceed 4.0% of the contract purchase price. The Company reimbursed organization and offering expenses of $2,090,817. Such amount includes $1,410,714 of offering costs incurred by the affiliated Advisor and Dealer Manager that exceeds 1.5% of gross offering proceeds earned as of June 30, 2009. The Advisor is obligated to reimburse the Company to the extent organization and offering costs (excluding selling commissions, the dealer manager fee and bonafide due diligence cost reimbursements) incurred by the Company in the Offering exceed 1.5% of gross proceeds. During the three and six months ended June 30, 2008, the Company reimbursed $0 and $119,207 for organizational and offering expenses, respectively. The organizational and offering expenses reimbursed during the six months ended June 30, 2008 were subsequently refunded by the Advisor to improve the Company’s overall working capital position. No acquisition related costs were reimbursed by the Company during the three and six months ended June 30, 2009. The Company incurred and paid acquisition advisory fees of $321,880 and $832,117 during the three and six months ended June 30, 2008, respectively.

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

The Advisor receives a financing coordination fee equal to 1.0% of amounts borrowed under such financing arrangements. No finance coordination fees were incurred during the three and six months ended June 30, 2009. During the three and six months ended June 30, 2008, the Company incurred and paid finance coordination fees of $244,125 and $623,775, respectively, to its affiliated Advisor.

The Company pays its affiliated Property Manager fees for the management and leasing of the Company's properties. Such fees equal 2.0% of gross revenues from the Company's single tenant properties and 4.0% of the gross revenues from its multi-tenant properties, plus reimbursement of the Property Managers' costs of managing the properties. In the event that the Property Manager assists a tenant with tenant improvements, a separate fee may be charged to the tenant by the Property Manager at a fee not to exceed 5.0% of the cost of such tenant improvements. The Property Manager will be paid leasing commissions at prevailing market rates and may also receive a fee for the initial leasing of newly constructed properties, which generally would equal one month's rent. The aggregate of all property management and leasing fees paid to affiliates plus all payments to third parties will not exceed the amount that other nonaffiliated management and leasing companies generally charge for similar services in the same geographic location. The Property Manager may subcontract its duties for a fee that may be less than the fee provided for in the property management agreement. The Property Manager elected to waive its management fees for the three and six months ended June 30, 2009. During the three and six months ended June 30, 2008, the Company incurred property management fees of $0 and $4,230, respectively. The property management fees incurred during the six months ended June 30, 2008 were subsequently refunded by the Property Manager to improve the Company's working capital position.

The Company pays the Advisor an annualized asset management fee of up to 1.0% based on the aggregate contract purchase price of acquired real estate investments. The asset management fee is payable quarterly in advance on the first day of the month following the end of each calendar quarter end. Such advance fees cannot exceed estimated asset management fees for the subsequent two calendar quarterly periods. The Company incurred asset management fees of $28,000 during the three months ended March 31, 2009, which were subsequently refunded by the Advisor to improve the Company's working capital position. The Advisor was entitled to asset management fees of $771,143 and $214,102 during the six months ended June 30, 2009 and 2008, respectively. These fees have been waived (not deferred) by the Advisor, contributing to the Company funding its distributions to shareholders entirely from cash generated from funds from operations. As of June 30, 2009, the Company paid the Advisor $950,000 of asset management fees for the subsequent two quarterly periods. Such amount is included within prepaid expenses on the accompanying balance sheet.

If the Advisor or its affiliates provides a substantial amount of services, as determined by the Company's independent directors, in connection with the sale of property, the Company will pay the Advisor a brokerage commission not to exceed the lesser of one-half of a reasonable, customary and competitive real estate commission or 3.0% of the contract price for the property sold, inclusive of any commission paid to outside brokers provided, however, in no event may the real estate commissions paid to the Advisor, its affiliates or unaffiliated third-parties exceed 6% of the contract price. In addition, after investors have received a return of their net capital contributions and a 6.0% annual cumulative, non-compounded return, then the Advisor is entitled to receive 15.0% of remaining net sale proceeds. During the three and six months ended June 30, 2009 and 2008, the Company did not pay any fees or amounts to the Advisor relating to the sale of properties.

In the event the Company's common stock is listed in the future on a national securities exchange, a subordinated incentive listing fee equal to 15.0% of the amount by which the market value of the Company's outstanding stock plus all distributions paid by the Company prior to listing, exceeds the sum of the total amount of capital raised from investors plus an amount equal to a 6.0% annual cumulative, non-compounded return to investors will be paid to the Advisor.

In the event that the advisory agreement with the Advisor is terminated upon a change of control of the Company, by the Company without cause, or by the Advisor for good reason (as such terms may be defined in the definitive agreement memorializing the engagement of the Advisor by the Company), the Company shall pay the Advisor a termination fee not to exceed 15.0% of the amount, if any, by which the appraised value of the properties owned by the Company on the date of such termination, less amounts of all indebtedness secured by such properties exceeds the dollar amount equal to the sum of a 6.0% cumulative non-compound return on the Company's stockholders' net investment plus the amount of such investment.

The Company may reimburse the Advisor for all expenses it paid or incurred in connection with the services provided to the Company, subject to the limitation that the Company does not reimburse for any amount by which its operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (i) 2.0% of average invested assets, or (ii) 25% of net income other than any additions to reserves for depreciation, bad debts or other similar non-cash reserves and excluding any gain from the sale of assets for that period. The Company will not reimburse for personnel costs in connection with services for which the Advisor receives acquisition fees or real estate commissions. During the three and six months ended June 30, 2009 and 2008, the Company did not reimburse the Advisor for any such costs.

During the year ended December 31, 2008, the OP entered into an agreement with the principals of the Advisor whereby the OP can obtain up to $10,000,000 of bridge equity from the principals from time to time as needed to provide short-term bridge equity relating to property acquisitions or for general working capital purposes. Such bridge equity needs to be satisfied within a six month period and will accrue a yield of 8%. In November 2008, the board approved an extension of the satisfaction period of an additional six months. In connection with the acquisition of the Harleysville National Bank and the Rockland Trust Company portfolios, the Company obtained bridge equity of $4,000,000 and $2,500,000 respectively. This bridge equity was repaid during the six months ended June 30, 2009. During the three and six months ended June 30, 2009, the Company incurred related party interest expense of $81,130 and $209,350, respectively. During the three and six months ended June 30, 2008, the Company incurred related party interest expense of $112,658 and $130,192, respectively. As of June 30, 2009, these balances had been paid in full.

During the year ended December 31, 2008, the REIT entered into an unsecured bridge equity facility with a related party, American Realty Capital Equity Bridge, LLC ("ARC Bridge"), whereby the REIT can obtain bridge equity of up to $10,000,000 from time-to-time as needed to provide short-term bridge equity relating to property acquisitions and for general working capital purposes. ARC Bridge is a 50% joint venture between the Sponsor and an unrelated third party. Bridge equity investments from this facility accrue a yield at an annual rate of 30 day LIBOR plus 5% with a floor of 8%. This facility was used for two acquisitions during the year ended December 31, 2008. The bridge equity investments relating to the PNC bank locations (formerly National City Bank) and Rite Aid portfolio acquisitions were $ 1,329,576 and $5,335,939, respectively. These bridge equity investments are due one year from the investment date and can be satisfied at any time without penalty. During the six months ended June 30, 2009, the Company satisfied $5,423,991 of outstanding draws under this facility. The related yield on such short-term bridge equity was 8.11% for both the PNC and Rite Aid acquisitions for the three and six months ended June 30, 2009, respectively. The Company incurred interest expense on these advances of $112,808 and $263,521 for the three and six month periods ended June 30, 2009. During the three and six months ended June 30, 2008, the Company incurred interest expense on these advances of $112,658 and $130,192, respectively. As of June 30, 2009, $3,053,173 remained outstanding under this facility as well as $10,177 of accrued interest payable.

48

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Note 11 — Economic Dependency

Under various agreements, the Company has engaged or will engage the Advisor and its affiliates 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, 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. In the event that these companies were unable to provide the Company with the respective services, the Company would be required to find alternative providers of these services.

Note 12 — Independent Directors' 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, subject to the absolute discretion of the board of directors and the applicable limitations of the Plan. The Company intends to grant options under the Plan to each qualifying director annually. The exercise price for all stock options granted under the Plan will be fixed at $10.00 per share until the termination of our initial public offering, and thereafter the exercise price for stock options granted to our independent directors will be equal to the fair market value of a share on the last business day preceding the annual meeting of stockholders. As of June 30, 2009, the Company had granted options to purchase 18,000 shares at $10.00 per share, each with a two year vesting period. A total of 1,000,000 shares have been authorized and reserved for issuance under the Plan. The Company accounts for the issuance of stock options under SFAS No. 123R, "Share-Based Payment," which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors, including stock options related to the Plan, based on estimated fair values.

During the six months ended June 30, 2009, 9,000 options were granted, none were forfeited or exercised and 4,500 became vested. As of June 30, 2009, unvested options to purchase 13,500 shares at $10.00 per share remained outstanding with a weighted average contractual remaining life of approximately 9.25 years. The total compensation charge relating to these option grants under SFAS No. 123R is immaterial.

Note 13 — Net Loss Per Share

The following is a reconciliation of the numerator and denominator of the basic and diluted net loss per share computation for the three and six months ended June 30, 2009 and 2008:

	Basic and Diluted Three Months Ended June 30, 2009	Basic and Diluted Three Months Ended June 30, 2008	Basic and Diluted Six Months Ended June 30, 2009	Basic and Diluted Six Months Ended June 30, 2008

Net loss	$ (673,011)	$ (454,369)	$ (2,011,604)	$ (796,219)
Total weighted average common shares outstanding	3,151,715	860,102	2,343,796	497,057
Loss per share	$ (0.21)	$ (0.53)	$ (0.86)	$ (1.60)

49

AMERICAN REALTY CAPITAL TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009
(Unaudited)

Note 14 — Subsequent Events

Sale of Shares of Common Stock

The Company has evaluated subsequent events through the filing of this Form 10-Q on August 14, 2009, and determined that there have not been any events that have occurred that would require adjustments to or additional disclosures in the unaudited consolidated financial statements except for the following transactions:

On July 1, 2009 the Company broke escrow on approximately $1.9 million of subscriptions from investors from Massachusetts and Pennsylvania, which were maintained at the Company's third-party escrow agent, Boston Private Bank & Trust Company, until the Company had sold at least $45 million of shares of common stock.

As of August 13, 2009, the Company had issued 6,437,921 shares of common stock, including 339,077 shares issued in connection with an acquisition in March 2008. Total gross proceeds from these issuances were $64,393,404. As of August 13, 2009, approximately $1.19 billion (119 million shares) remained available for sale to the public under the Offering, exclusive of shares available under the DRIP.

Total capital raised to date is as follows:

Source of Capital		Inception to June 30, 2009		July 1 to August 13, 2009		Total
Common shares	$	42,050,937	$	22,342,467	$	64,393,404
Notes payable		13,000,000		-		13,000,000
Exchange proceeds (1)		-		2,830,000		2,830,000
Total	$	55,050,937	$	25,172,467	$	80,223,404

(1) Includes amounts received by the Company in connection with transactions completed through its affiliate, American Realty Capital Exchange, LLC. Such transactions include joint ventures whereby unaffiliated third-party investors co-invested in investment properties that are majority owned and controlled by the Company.

Real Estate Acquisitions

FedEx Freight Facility – Houston, TX

On July 8, 2009, the REIT acquired a 152,640 square foot, newly constructed freight facility located in Houston, TX, net leased to FedEx Freight and guaranteed by FedEx Corporation (the "FedEx Facility"). The purchase price for the FedEx Facility is approximately $31.7 million. The Fed Ex Facility is net leased to FedEx, pursuant to which FedEx is required to pay substantially all operating expenses (other than the costs to maintain and repair the roof and structure of the building) and capital expenditures in addition to base rent, simultaneously with the acquisition of the properties. The primary lease term is fifteen years, having commenced on October 16, 2008, and provides for up to two successive five-year extensions. Annual rent is approximately $2.6 million for the first year of the initial lease term, and annual rent will increase by 8% every five years.

The purchase price is funded by a combination of short-term bridge financing and proceeds from the sale of common shares. The Company entered into a one-year bridge credit facility with a lender and received proceeds of approximately $15.9 million. The credit facility bears interest at an annual rate of equal to 5.75%. The remaining portion of the purchase price was funded using available funds under the Company's related party bridge facilities and equity capital

Walgreens Location – Sealy, TX

On July 17, 2009, the REIT acquired a fee ownership interest in a 14,850 square foot Walgreens retail location net leased to Walgreens Co., located in Sealy, TX. The Walgreens location is net leased to Walgreens Co., pursuant to which Walgreens Co. is required to pay substantially all operating expenses (including all costs to maintain and repair the roof and structure of the building) and capital expenditures in addition to base rent, simultaneously with the acquisition of the properties. The primary lease term is twenty five years, having commenced June 18, 2007. Annual rent is $310,000.

The purchase price, excluding transaction costs and fees, is approximately $3.8 million and is comprised of a combination of mortgage financing, proceeds from the sale of common shares and funds received from an unaffiliated joint venture partner. The Company entered into a ten-year financing agreement and received proceeds of approximately $1.6 million. The note agreement bears interest at an initial rate of 6.55%. Upon completion of this acquisition, the Company owns an approximate 56% interest in the asset, while the joint venture investor owns an approximate 44% interest.

Real Estate Investments and Mortgage Notes

Subsequent to the acquisitions highlighted above, the Company has total real estate investments of approximately $191.0 million. These assets are encumbered by long-term mortgage notes totaling $113.8 million, or aggregate first mortgage position leverage of 59.6%.

Bridge Equity

In July 2009, the Company repaid the remaining outstanding balance of $3,053,172 outstanding under its related party bridge facility.

In connection with acquiring the FedEx Facility, the Company utilized availability under its related party bridge equity facilities to partially fund the purchase and has subsequently began repaying such advances. Outstanding short-term bridge equity advances as of August 12, 2009, total $4,803,172.

Item 2. 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 of American Realty Capital Trust, Inc. and the notes thereto. As used herein, the terms “we,” “our” and “us” refer to American Realty Capital Trust, Inc., a Maryland corporation, and, as required by context, American Realty Capital Operating Partnership, L.P., a Delaware limited partnership, which we refer to as the “Operating Partnership” and to their subsidiaries. American Realty Capital Trust, Inc. is externally managed by the American Realty Capital Advisors, LLC (a Delaware limited liability company) or the “Advisor.”

Forward-Looking Statements

Certain statements included in this quarterly report on Form 10-Q are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of American Realty Capital 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,” “inten 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.

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:

- Neither we nor our Advisor have a prior operating history and our Advisor does not have any experience operating a public company. This inexperience makes our future performance difficult to predict.

- All of our executive officers are also officers, managers and/or holders of a direct or indirect controlling interest in our Advisor, our dealer manager and other affiliated entities. 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 investors advised by American Realty Capital affiliates and conflicts in allocating time among us and these other investors. These conflicts could result in unanticipated actions.

- Because investment opportunities that are suitable for us may also be suitable for other American Realty Capital-advised investors, our Advisor and its affiliates face conflicts of interest relating to the purchase of properties and such conflicts may not be resolved in our favor, meaning that we could invest in less attractive properties, which could reduce the investment return to our stockholders.

- If we raise substantially less than the maximum offering in our ongoing initial public offering, we may not be able to invest in a diverse portfolio of real estate assets and the value of an investment in us may vary more widely with the performance of specific assets.

- While we are raising capital and investing the proceeds of our ongoing initial public offering, the high demand for the type of properties we desire to acquire may cause our distributions and the long-term returns of our investors to be lower than they otherwise would.

- We depend on tenants for our revenue, and, accordingly, our 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 distributions to our stockholders.

All forward-looking statements should be read in light of the risks identified in our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the SEC and the risks identified in this quarterly report.

Overview

We are a Maryland corporation that elected to be taxed as a real estate investment trust, or REIT, beginning with the taxable year ended December 31, 2008. On September 10, 2007, we filed a registration statement on Form S-11 with the SEC to offer a minimum of 750,000 shares and a maximum of 150,000,000 shares of common stock for sale to the public. The SEC declared the registration statement effective on January 25, 2008, at which time we launched our ongoing initial public offering. On March 11, 2008, we broke escrow in our ongoing initial public offering and then commenced our real estate operations. As of June 30, 2009, we issued 4,332,141 shares of common stock, including 339,077 shares issued in connection with an acquisition in March 2008. Total gross proceeds from these issuances were $42,050,937. As of June 30, 2009, the aggregate value of all share issuances and subscriptions outstanding was $45,325,046 based on a per share value of $10.00 (or $9.50 for shares issued under the DRIP). This amount includes stock subscriptions of $2,023,896 which are maintained at our third-party escrow agent, to be released when certain escrow requirements have been achieved. As of June 30, 2009, we had not redeemed any shares sold in our ongoing initial public offering pursuant to our share repurchase program. We are dependent upon the net proceeds from the offering to conduct our proposed operations.

We intend to use the proceeds of our ongoing initial public offering to acquire and manage a diverse portfolio of real estate properties consisting primarily of freestanding, single-tenant properties net leased to investment grade and other creditworthy tenants throughout the United States and Puerto Rico. We plan to own substantially all of our assets and conduct our operations through our Operating Partnership, of which we are the sole general partner. We have no paid employees. Our advisor, American Realty Capital Advisors, LLC, conducts our operations and manages our portfolio of real estate investments.

We intend to continue our strategy of acquiring freestanding, single tenant properties through sale-leaseback and marketed transactions with in-place leases that have a minimum of ten years remaining under the primary term. Such leases generally include renewal options. We typically fund our acquisitions with a combination of equity and debt. We expect to arrange long-term financing on both a secured and unsecured fixed rate basis. We intend to continue to grow our existing relationships and develop new relationships throughout various markets we serve, which we expect will lead to further acquisition opportunities. We intend to have an overall leverage ratio as it relates to long-term secured mortgage financings of approximately 55% by the end of 2009. This goal is expected to be realized by using lower amounts of long-term debt in connection with acquiring future real estate investments. In certain cases, we may acquire properties using only equity capital. Additionally, we generally arrange for our mortgage note agreements to include monthly principal payments together with interest. This amortization results in lowering our overall mortgage notes balance on a continuous basis.

As of June 30, 2009, we owned 92 100% leased properties representing approximately 713,000 square feet, with a weighted average remaining lease term of 12.1 years. In constructing our portfolio, we are committed to diversification (industry, tenant and geography). As of June 30, 2009, rental revenues derived from investment grade tenants (rated BBB+ or better by Standards & Poor) approximated 90%. Our strategy encompasses receiving the majority of our revenue from investment grade tenants as we further acquire properties and enter into (or assume) long-term lease arrangements.

Real estate-related investments are higher-yield and higher-risk investments that our advisor will actively manage, if we elect to acquire such investments. The real estate-related investments in which we may invest include: (i) mortgage loans; (ii) equity securities such as common stocks, preferred stocks and convertible preferred securities of real estate companies; (iii) debt securities, such as mortgage-backed securities, commercial mortgages, mortgage loan participations and debt securities issued by other real estate companies; and (iv) certain types of illiquid securities, such as mezzanine loans and bridge loans. While we may invest in any of these real estate-related investments, our advisor, with the support of our Board of Trustees, has elected to suspend all activities relating to acquiring real estate-related investments for an indefinite period based on the current adverse climate affecting the capital markets. Since our inception, we have not acquired any real estate-related investments.

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 consolidated 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 include:

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 straightline basis over the initial term of the lease. Since many of our leases provide for rental increases at specified intervals, straightline 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 continually review receivables related to rent and unbilled rent receivables and determine collectibility 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 collectibility 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.

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 straightline method over the estimated useful lives of up to 40 years for buildings and improvements, five to ten years for fixtures and improvements and the shorter of the useful life or the remaining lease term for tenant improvements and leasehold interests.

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 income 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 follow Statement of Financial Accounting Standards ("SFAS") No.144, "Accounting for the Impairment or Disposal of Long-Lived Assets," ("SFAS No. 144") which established a single accounting model for the impairment or disposal of long-lived assets including discontinued operations. SFAS No.144 requires that the operations related to properties that have been sold or properties that are intended to be sold be presented as discontinued operations in the statement of operations for all periods presented, and properties intended to be sold to be designated as "held for sale" on the balance sheet.

Long-lived assets are carried at cost and evaluated for impairment when events or changes in circumstances indicate such an evaluation is warranted or when they are designated as held for sale. Valuation of real estate is considered a "critical accounting estimate" because the evaluation of impairment and the determination of fair values involve a number of management assumptions relating to future economic events that could materially affect the determination of the ultimate value, and therefore, the carrying amounts of our real estate. Additionally, decisions regarding when a property should be classified as held for sale are also highly subjective and require significant management judgment.

Events or changes in circumstances that could cause an evaluation for impairment include the following:

- a significant decrease in the market price of a long-lived asset;
- a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition;
- a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset, including an adverse action or assessment by a regulator;
- an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset; and
- a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset.

We review our portfolio on an on-going basis to evaluate the existence of any of the aforementioned events or changes in circumstances that would require us to test for recoverability. In general, our review of recoverability 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 expected, 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. We are required to make subjective assessments as to whether there are impairments in the values of our investments in real estate. These assessments have a direct impact on our net income because recording an impairment loss results in an immediate negative adjustment to net income.

Purchase Price Allocation

Pursuant to SFAS No. 141R, "Business Combinations" we follow the purchase method of accounting for all business combinations. As such, we recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions.

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, buildings, equipment 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. Identifiable intangible assets include amounts allocated to acquired leases for above- and below-market lease rates, the value of in-place leases, and the value of customer relationships.

Amounts allocated to land, buildings, equipment and fixtures are based on cost segregation studies performed by independent third-parties or on our analysis of comparable properties in our portfolio. Depreciation is computed using the straightline method over the estimated lives of 40 years for buildings, five to ten years for building equipment and fixtures, and the shorter of the useful life or the remaining lease term for tenant improvements.

Above-market and below-market in-place lease values for owned properties are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease.

The capitalized above-market lease values are amortized as a reduction of rental income over the remaining non-cancelable terms of the respective leases. The capitalized below-market lease values are amortized as an increase to rental income over the initial term and any fixed-rate renewal periods in the respective leases. The aggregate value of intangible assets related to in-place leases is primarily the difference between the property valued with existing in-place leases adjusted to market rental rates and the property valued as if vacant. Factors considered by us in our 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 market rates during the expected lease-up period, which typically ranges from six to 18 months. We also estimate costs to execute similar leases including leasing commissions, legal and other related expenses.

The aggregate value of intangibles assets related to customer relationship 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 our 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 in-place leases is amortized to expense over the initial term of the respective leases, which range primarily from 2 to 20 years. 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.

Derivative Instruments

We may use derivative financial instruments to hedge all or a portion of the interest rate risk associated with our borrowings. The principal objective of such agreements 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.

SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of SFAS No. 133," ("SFAS No. 161") amends and expands the disclosure requirements of SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), with the intent to provide users of financial statements with an enhanced understanding of: (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS No. 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about the fair value of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative instruments.

As required by SFAS No. 133, we record all derivatives on the balance sheet 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 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. We may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or we elect not to apply hedge accounting under SFAS No. 133.

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, as well as subsequent marketing and leasing activities, in estimating the fair value of the tangible and intangible assets acquired and intangible liabilities assumed. The allocations presented in the accompanying consolidated balance sheets are substantially complete; however, there are certain items that we will finalize once we receive additional information. Accordingly, these allocations are subject to revision when final information is available, although we do not expect future revisions to have a significant impact on our financial position or results of operations.

Results of Operations

Comparison of the Three Months Ended June 30, 2009 and 2008

As of June 30, 2009, we owned 92 properties which are 100% leased, compared to 34 properties which were 100% leased at June 30, 2008, an increase of approximately 171%. Accordingly, our results of operations for the three months ended June 30, 2009 as compared to the three months ended June 30, 2008 reflect significant increases in most categories.

Rental Income

Rental income increased approximately $1,587,000 to approximately $2,935,000 for the three months ended June 30, 2009, compared to approximately $1,348,000 for the three months ended June 30, 2008. The increase in rental income was driven by our acquisition of approximately $70.0 million of net leased property during the last two quarters of 2008. These properties, acquired at an average 7.56% cap rate, are leased from 10 to 20 years to primarily investment grade tenants.

Property Management Fees to Affiliate

American Realty Capital Properties, LLC has elected to waive the property management fees for the three months ended June 30, 2009. Such fees represent amounts paid to our affiliated property manager, American Realty Capital Properties, LLC, to manage and lease our properties. Property management fees of approximately $4,000 were incurred during the three months ended June 30, 2008. Our Property Manager elected to refund these fees subsequent to June 30, 2008 to improve our working capital.

General and Administrative Expenses

General and administrative expenses decreased 14% to approximately $72,000 for the three months ended June 30, 2009, compared to approximately $84,000 for the three months ended June 30, 2008. During the three months ended June 30, 2009, the Advisor reimbursed $28,000 of asset management fees paid in the three months ended March 31, 2009. The majority of the general and administrative expenses for the three months ended June 30, 2009 included $46,000 of amortized insurance expense relating to our directors' and officers' insurance policy, $33,000 of board member compensation and $16,000 of professional fees.

Depreciation and Amortization Expense

Depreciation and amortization expense increased approximately $993,000 to approximately $1,730,000 for the three months ended June 30, 2009, compared to approximately $737,000 for the three months ended June 30, 2008. The increase in depreciation and amortization expense was the result of our acquisition of approximately $70.0 million of real estate during the last two quarters of 2008. These properties were placed into service when acquired and were being depreciated for the full year to date. In contrast, the prior year number reflects the depreciation and amortization expense for a partial period as an acquisition of approximately $33.0 million of real estate occurred during May 2008.

Interest Expense

Interest expense increased approximately $1,139,000 to $2,319,000 for the three months ended June 30, 2009, compared to approximately $1,180,000 for the three months ended June 30, 2008. The increase in interest expense was the result of our purchase of 58 properties with a total value of approximately $70.0 million. These properties were purchased using proceeds from our Offering and first mortgage debt. In addition, we used various sources of unsecured financing including drawing on various bridge equity lines and issuing long term notes payable. The average first mortgage debt balance for the three months ended June 30, 2009 and June 30, 2008 was $112,368,600 and $52,111,935, respectively. We view these unsecured financing sources as an efficient and accretive means to acquire properties in advance of raising equity capital.

Our interest expense in future periods will vary based on our level of future borrowings, which will depend on the level of proceeds raised in the Offering, the cost of borrowings, and the opportunity to acquire real estate assets which meet our investment objectives.

Other Income

Gains on derivative instruments increased approximately $315,000 to $512,000 for the three months ended June 30, 2009, compared to approximately $197,000 for the three months ended June 30, 2008. These gains are related to marking our derivative instruments to market.

Comparison of the Six Months Ended June 30, 2009 and 2008

As of June 30, 2009, we owned 92 properties which are 100% leased, compared to 34 properties which were 100% leased at June 30, 2008, an increase of approximately 171%. Accordingly, our results of operations for the six months ended June 30, 2009 as compared to the six months ended June 30, 2008 reflect significant increases in most categories.

Rental Income

Rental income increased approximately $4,300,000 to approximately $5,862,000 for the six months ended June 30, 2009, compared to approximately $1,562,000 for the six months ended June 30, 2008. The increase in rental income was driven by our acquisition of approximately $70.0 million of net leased property during the last two quarters of 2008. These properties, acquired at an average 7.56% cap rate, are leased from 10 to 20 years to primarily investment grade tenants.

Property Management Fees to Affiliate

American Realty Capital Properties, LLC has elected to waive the property management fees for the six months ended June 30, 2009. Such fees represent amounts paid to our affiliated property manager, American Realty Capital Properties, LLC, to manage and lease our properties. Property management fees of approximately $4,000 were incurred during the six months ended June 30, 2008. Our Property Manager elected to refund these fees subsequent to June 30, 2008 to improve our working capital.

General and Administrative Expenses

General and administrative expenses decreased 28% to approximately $198,000 for the six months ended June 30, 2009, compared to approximately $273,000 for the six months ended June 30, 2008. General and administrative expenses for the six months ended June 30, 2009 consisted primarily of $96,000 of amortized insurance expense relating to our directors' and officers' insurance policy, $52,000 of board member compensation and $21,000 of professional fees.

Depreciation and Amortization Expense

Depreciation and amortization expense increased approximately $2,552,000 to approximately $3,460,000 for the six months ended June 30, 2009, compared to approximately $908,000 for the six months ended June 30, 2008. The increase in depreciation and amortization expense was the result of our acquisition of approximately $70.0 million of real estate during the last two quarters of 2008. These properties were placed into service when acquired and were being depreciated for the full year-to-date. In contrast, the prior year number reflects the depreciation and amortization expense for a partial period as our first acquisition occurred during March of 2008.

Interest Expense

Interest expense increased approximately $3,398,000 to $4,770,000 for the six months ended June 30, 2009, compared to approximately $1,372,000 for the six months ended June 30, 2008. The increase in interest expense was the result of our purchase of 58 properties with a total value of approximately $70.0 million. These properties were purchased using proceeds from our Offering and first mortgage debt. In addition, we used various sources of unsecured financing including drawing on various bridge equity lines and issuing long term notes payable. The average first mortgage debt balance for the six months ended June 30, 2009 and June 30, 2008 was $112,493,003 and $34,741,290, respectively. We view these unsecured financing sources as an efficient and accretive means to acquire properties in advance of raising equity capital.

Our interest expense in future periods will vary based on our level of future borrowings, which will depend on the level of proceeds raised in the Offering, the cost of borrowings, and the opportunity to acquire real estate assets which meet our investment objectives.

Other Income

Gains on derivative instruments increased approximately $352,000 to $549,000 for the six months ended June 30, 2009, compared to approximately $197,000 for the six months ended June 30, 2008. These gains are related to marking our derivative instruments to market.

Funds From Operations

We consider funds from operations ("FFO") a useful indicator of the performance of a REIT. 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), they facilitate comparisons of operating performance between periods and between other REITs in our peer group. Accounting for real estate assets in accordance with generally accepted accounting principles in the United States ("GAAP") implicitly assumes that the value of real estate assets diminishes predictability over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. As a result, we believe that the use of FFO, 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. Other REITs may not define FFO in accordance with the current National Association of Real Estate Investment Trust's ("NAREIT") definition (as we do) or may interpret the current NAREIT definition differently than we do. Consequently, our presentation of FFO may not be comparable to other similarly titled measures presented by other REITs.

FFO is a non-GAAP financial measure and does not represent net income as defined by GAAP. FFO does not represent cash flows from operations as defined by U.S. GAAP, it is not indicative of cash available to fund all cash flow needs and liquidity, including our ability to pay distributions and should not be considered as an alternative to net income, as determined in accordance with U.S. GAAP, for purposes of evaluating our operating performance.

FFO is presented in the following table for the period ended as indicated:

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009
Net Loss	(673,011)	(454,369)	(2,011,604)
Add:			
Depreciation of real estate assets	1,362,131	616,517	2,724,263
Amortization of intangible lease assets	268,999	119,966	537,998
Mark-to market adjustment (1)	(523,669)	(196,816)	(581,259)
FFO	$ 434,450	$ 85,298	$ 669,398
Distributions paid (2)(3)	$ 410,188	$ 79,899	$ 630,393
FFO coverage ratio	105.9%	106.8%	106.2%
FFO payout ratio	94.4%	93.7%	94.2%

(1) - the Company excludes non-cash mark-to-market adjustments relating to its hedging activities from its FFO calculation.
(2) - includes shares issued under the DRIP.
(3) - FFO is not applicable for the six months ended June 30, 2008, as the first distribution was paid during the three months ended June 30, 2008.

55

Cash Flows for the Six Months Ended June 30, 2009

During the six months ended June 30, 2009, net cash used in operating activities was approximately $4,344,227. The level of cash flows provided by (used in) operating activities is affected by both the timing of interest payments and amount of borrowings outstanding during the period. It is also affected by the receipt of scheduled rent payments and disbursement of deposits required in connection with property acquisitions. Prepaid expenses and other assets increased by approximately $2,219,000 principally resulting from the acquisition $636,000 of non-real estate investment furniture and fixtures and the prepayment of $950,000 of asset management fees during the six months ended June 30, 2009. Accounts payable and accrued expenses decreased by approximately $935,000, the majority of which relates to professional fees, accrued interest and finance coordination fees. Finally due to affiliates decreased approximately $2,233,000 during the six months ended June 30, 2009.

Net cash used in investing activities during the six months ended June 30, 2009 was approximately $163,000, relating to prior period acquisition related costs.

Net cash provided by financing activities totaled approximately $7,050,000 during the six months ended June 30, 2009. Such amount consisted primarily of net proceeds from other notes payable and issuance of common stock of approximately $11,911,000 and $24,850,000, respectively. These amounts were offset by the satisfaction of our short-term bridge funds, related party bridge facility, related party convertible bride revolver and short-term convertible redeemable preferred of approximately $11,954,000, approximately $5,424,000, $6,500,000 and $3,995,000, respectively. During the period, we issued 3,030,568 shares of common stock which generated approximately $30,096,000 of gross proceeds, reduced by approximately $5,246,000 of related offering costs and commissions. Net cash of approximately $395,000 was used for shareholder dividends. Net cash was increased by approximately $3,000 related to a decrease in restricted cash.

Cash paid for interest during the six months ended June 30, 2009 was approximately $4.9 million.

Cash Flows for the Six Months June 30, 2008

During the six months ended June 30, 2008, net cash provided by operating activities was approximately $926,000. The level of cash flows provided by operating activities is affected by both the timing of interest payments and amount of borrowings outstanding during the period. It is also affected by the receipt of scheduled rent payments and disbursement of deposits required in connection with property acquisitions. Prepaid expenses and other assets increased by approximately $125,000 principally resulting from payments relating to annual Board of Trustee retainers and the partial funding of our Directors’ and Officers’ insurance policy. This amount is offset by the increase in accounts payable and accrued expenses of approximately $603,000, the majority of which relates to professional fees, accrued interest and finance coordination fees, as well as an increase in deferred rent and liabilities of approximately $501,000, primarily representing rent payments received in advance of the respective due date.

Net cash used in investing activities during the six months ended June 30, 2008 totaled approximately $39,918,000 relating to investment properties acquired during the period.

Net cash provided by financing activities totaled approximately $39,918,000 during the six months ended June 30, 2008. Such amount consisted primarily of net proceeds from notes payable and our related party credit facility of approximately $28,335,000 and $6,500,000, respectively. During the period, we issued 1,012,652 shares of common stock which generated approximately $6,522,000 of gross proceeds, reduced by approximately $900,000 of related offering costs and commissions. Net cash was reduced by approximately $43,000 related to restricted cash.

Liquidity and Capital Resources

We expect to continue to raise capital through the sale of our common stock and to utilize the net proceeds from the sale of our common stock and proceeds from secured financings to complete future property acquisitions and satisfy outstanding short-term bridge equity amounts. As of June 30, 2009, we issued 4,332,141 shares of common stock, including 339,077 shares issued in connection with an acquisition in March 2008. Total gross proceeds from these issuances were $42,050,937. As of June 30, 2009, the aggregate value of all share issuances and subscriptions outstanding was $45,325,046 based on a per share value of $10.00 (or $9.50 for shares issued under the DRIP). This amount includes stock subscriptions of $2,023,896 which are maintained at our third-party escrow agent, to be released when certain escrow requirements have been achieved.

In addition, we expect to continue to raise capital through the issuance of unsecured notes payable. Proceeds from such issuances will augment the capital being raised through the sale of common stock. We believe our notes programs offer an efficient and cost effective source of funds. The term of these notes will generally be between three and five years. Total gross proceeds from note issuances for the quarter ended June 30, 2009 totaled $2,483,000.

The amount of distributions payable to our stockholders is determined by our board of directors and is dependent on a number of factors, including funds available for distribution, financial condition, capital expenditure requirements, as applicable and annual distribution requirements needed to qualify and maintain our status as a REIT under the Code. Operating cash flows are expected to increase as additional properties are acquired in our investment portfolio.

Our principal demands for funds will continue to be for property acquisitions, either directly or through investment interests, for the payment of operating expenses and distributions, satisfaction of bridge equity and for the payment of interest on our outstanding indebtedness and other investments. Generally, cash needs for items other than property acquisitions are expected to be met from operations, and cash needs for property acquisitions are expected to be met from the public offering of our shares. However, there may be a delay between the sale of our shares and our purchase of properties, which could result in a delay in the benefits to our stockholders, if any, of returns generated from our operations. Our Advisor evaluates potential acquisitions of real estate and real estate related assets and engages in negotiations with sellers and borrowers on our behalf. Investors should be aware that after a purchase contract is executed that contains specific terms, the property will not be purchased until the successful completion of due diligence and negotiation of final binding agreements. During this period, we may decide to temporarily invest any unused proceeds from the Offering in certain investments that could yield lower returns than the properties. These lower returns may affect our ability to make distributions.

We expect to meet our future short-term operating liquidity requirements through net cash provided by our current property operations and the operations of properties to be acquired in the future. Management also expects that our properties will generate sufficient cash flow to cover operating expenses and the payment of a monthly distribution. Other potential future sources of capital include proceeds from secured or unsecured financings from banks or other lenders, proceeds from the sale of properties, undistributed funds from operations, and savings realized from our affiliates potentially waiving certain fees and expense reimbursements.

On February 25, 2008, our board of directors declared a distribution for each monthly period commencing 30 days subsequent to acquiring our initial portfolio of real estate investments, payable in cash on the 2nd day following each month end to stockholders of record at the close of business each day during the applicable period. We acquired our initial real estate investment on March 5, 2008. Accordingly, our daily dividend commenced accruing on April 5, 2008. The REIT's initial distribution payment was paid to stockholders on May 21, 2008, representing dividends accrued from April 5, 2008 through April 30, 2008. Subsequently, we modified the payment date to the 2nd day following each month end to stockholders of record at the close of business each day during the applicable period. The distribution is calculated based on stockholders of record each day during the applicable period at a rate of $0.00178082191 per day, and equals a daily amount that, if paid each day for a 365-day period, would equal a 6.5% annualized rate based on the share price of $10.00. On November 5, 2008, the board of directors approved an increase in our annual cash distribution from $.65 to $.67 per share. Based on a $10.00 share price, this 20 basis point increase, effective January 2, 2009, results in an annualized distribution rate of 6.7%. During the three and six months ended June 30, 2009, distributions paid totaled $410,188 and $630,393, respectively. These amounts include $160,466 and $235,211 of common shares issued under the dividend reinvestment plan for the three and six months ended June 30, 2009, respectively. As of June 30, 2009, cash used to pay our distributions was entirely generated from funds received from operating activities and fee waivers from our Advisor. Our distributions have not been paid from any other sources. We have continued to pay distributions to our shareholders each month since our initial dividend payment.

The payment terms of our loan obligations vary. In general, principal and interest is payable monthly with all unpaid principal and interest due at maturity. Certain of our mortgage loans have initial payments of interest only but require principal repayment in subsequent years. Our loan agreements stipulate that we comply with specific reporting and financial covenants. As of June 30, 2009, 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 bridge equity that, combined with secured mortgage financing, exceeds our targeted leverage ratio. Such short-term bridge equity may be derived from the $10.0 million revolving bridge equity facility established between principals of the Advisor and the O.P. or the $10.0 million related party bridge facility established between ARC Bridge and the REIT as described in Note 10 of our financial statements — Related-Party Transactions and Arrangements. In addition, short-term bridge equity 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 bridge equity 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 in connection with our offering, these short-term bridge equity investments will be satisfied. As of June 30, 2009, we had $3.1 million outstanding under our related party bridge equity facility. Excluding such short-term bridge equity and other notes payable, our leverage ratio approximated 72% (secured mortgage notes payable as a percentage of total real estate investments, at cost) as of June 30, 2009.

It is our expectation to continue to use availability under our revolving related party credit facilities. The use of these funds is an efficient and accretive means of acquiring real estate investments while we continue to raise equity capital through our continuous Offering. We attempt to time our acquisitions appropriately as we negotiate with sellers, seek long-term mortgage financings and receive proceeds from the issuance of our common shares. Our revolving bridge facilities afford us an opportunity to acquire high quality properties that meet our core strategy while we are furthering our efforts with respect to raising equity capital. Since December 31, 2008, excluding the approximately $15,900,000 of non-related party bridge equity borrowings repaid, approximately $11,900,000 of outstanding advances under our revolving related party facilities was satisfied.

As of June 30, 2009, we had cash of approximately $3,430,000, which we expect to be used primarily to satisfy short-term bridge funds, pay operating expenses and pay stockholder distributions. In addition, the approximate $3.5 million of debt and other contractual obligations coming due during the remainder of 2009 will be paid with proceeds from our Offering.

Contractual Obligations

The following is a summary of our contractual obligations as of June 30, 2009:

	Principal Payments Due During the Years Ending December 31						
Contractual Obligations (1)	Total	2009	2010	2011	2012	2013	Thereafter
Mortgage notes payable	$ 112,249,667	$ 483,371	$ 1,012,332	$ 1,855,075	$ 1,991,443	$58,780,586	$ 48,126,860
Short-term bridge equity	—	—	—	—	—	—	—
Short-term convertible redeemable preferred equity	—	—	—	—	—	—	—
Related party bridge revolver	—	—	—	—	—	—	—
Long-term notes payable	13,000,000	—	—	13,000,000	—	—	—
Short-term bridge equity facility	—	—	—	—	—	—	—
Related party bridge equity facility	3,053,172	3,053,172	—	—	—	—	—
Purchase obligations (2)	—	—	—	—	—	—	—
	$ 128,302,839	$ 3,536,543	$ 1,012,332	$ 14,855,075	$ 1,991,443	$58,780,586	$ 48,126,860

	Interest Payments Due During the Years Ending December 31						
Contractual Obligations (1)	Total	2009	2010	2011	2012	2013	Thereafter
Mortgage notes payable	$ 48,074,986	$ 3,284,779	$ 6,497,883	$ 6,393,343	$ 6,294,819	$ 5,167,855	$ 20,436,307
Short-term bridge equity	—	—	—	—	—	—	—
Short-term convertible redeemable preferred equity	—	—	—	—	—	—	—

Related party bridge revolver	—	—	—	—	—	—	—
Long-term notes payable	2,842,952	592,416	1,175,173	1,075,364	—	—	—
Short-term bridge equity facility	—	—	—	—	—	—	—
Related party bridge equity facility	4,071	4,071	—	—	—	—	—
	$ 50,922,009	$ 3,881,266	$ 7,673,056	$ 7,468,707	$ 6,294,819	$ 5,167,855	$ 20,436,307

(1) Amounts include principal payments only. We incurred interest expense of approximately $4,494,000, excluding amortization of deferred financing costs, during the six months ended June 30, 2009, and expect to incur interest in future periods on outstanding debt obligations.

(2) We were not contractually obligated to acquire any real estate investments as of quarter end.

Election as a REIT

We are qualified and have elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code commencing with our taxable year ended December 31, 2008. We generally are not be subject to federal corporate income tax to the extent we distribute our REIT taxable income to our stockholders, and so long as we distribute at least 90% of our REIT taxable income. REITs are subject to a number of other organizational and operational requirements. We may be subject to certain state and local taxes on our income and property, and federal income and excise taxes on our undistributed income.

Inflation

Some of our leases contain provisions designed to mitigate the adverse impact of inflation. These provisions generally increase rental rates during the terms of the leases either at fixed rates or indexed escalations (based on the Consumer Price Index or other measures). We may be adversely impacted by inflation on the leases that do not contain indexed escalation provisions. In addition, our net leases require the tenant to pay its allocable share of operating expenses, including common area maintenance costs, real estate taxes and insurance. This may reduce our exposure to increases in costs and operating expenses resulting from inflation.

Related-Party Transactions and Agreements

We have entered into agreements with American Realty Capital II, LLC and its wholly-owned affiliates, whereby we pay certain fees or reimbursements to our Advisor or its affiliates for acquisition fees and expenses, organization and offering costs, sales commissions, dealer manager fees, asset and property management fees and reimbursement of operating costs. See Note 10 to our consolidated financial statements included in this report for a discussion of the various related-party transactions, agreements and fees.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to interest rate changes primarily as a result of long-term mortgage financing used to partially fund the acquisition of real estate investments. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve these objectives, we may borrow at fixed rates or variable rates with the lowest margins available and in some cases, the ability to convert variable rates to fixed rates. With regard to variable rate financing, we will assess interest rate cash flow risk by continually identifying and monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. At June 30, 2009, our interest rate exposure was mitigated by various hedging instruments - See Note 6 and Note 7.

We do not have any foreign operations and thus we are not exposed to foreign currency fluctuations.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders and Board of Directors

American Realty Capital Trust, Inc.

We have audited the accompanying consolidated balance sheets of American Realty Capital Trust, Inc. (a Maryland Corporation) and subsidiary (the Company) as of December 31, 2008 and 2007, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the year ended December 31, 2008 and the period from August 17, 2007 (date of inception) to December 31, 2007. Our audits of the basic financial statements included the financial statement schedule listed in the index appearing under 15(a). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of American Realty Capital Trust, Inc. and subsidiary as of December 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the year ended December 31, 2008 and the period from August 17, 2007 (date of inception) to December 31, 2007, 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, present fairly, in all material respects, the information set forth therein.

/s/ GRANT THORNTON LLP
Philadelphia, Pennsylvania
March 2, 2009

FINANCIAL STATEMENTS

The following information replaces the financial statements in the “Financial Information” section of the prospectus on pages 152-163.

AMERICAN REALTY CAPITAL TRUST, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2008	December 31, 2007
ASSETS		
Real estate investments, at cost:		
Land	$ 22,300,422	$ —
Buildings, fixtures and improvements	126,022,191	—
Acquired intangible lease assets	16,448,018	—
Total real estate investments, at cost	164,770,631	—
Less accumulated depreciation and amortization	(3,056,449)	—
Total real estate investments, net	161,714,182	—
Cash	886,868	—
Restricted cash	47,937	—
Prepaid expenses and other assets	302,472	938,157
Deferred financing costs, net	1,990,992	—
Total assets	$ 164,942,451	$ 938,157
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Mortgage notes payable	$ 112,741,810	$ —
Other notes payable	1,089,500	—
Short-term bridge equity funds:		
Short-term bridge funds	11,953,796	—
Related party bridge facility	8,477,163	—
Related party bridge revolver	6,500,000	—
Short-term convertible redeemable preferred	3,995,000	—
Total short-term bridge funds	30,925,959	—
Below-market lease liabilities, net	9,400,293	—
Derivatives, at fair value	4,232,865	—
Due to affiliates	2,223,144	284,825
Accounts payable and accrued expenses	1,687,932	453,832
Deferred rent and other liabilities	781,538	—
Distributions payable	69,263	—
Investor contributions held in escrow	30,824	—
Total liabilities	163,183,128	738,657
STOCKHOLDERS’ EQUITY		
	—	—

Preferred stock, $0.01 par value; 10,000,000 shares authorized, none issued and outstanding				
Common stock, $0.01 par value; 240,000,000 shares authorized, 1,276,814 and 20,000 shares issued and outstanding at December 31, 2008 and December 31, 2007, respectively		12,768		200
Additional paid-in capital		9,219,901		199,800
Accumulated other comprehensive loss		(2,675,515)		—
Accumulated deficit		(4,797,831)		(500)
Total stockholders' equity		1,759,323		199,500
Total liabilities and stockholders' equity	$	164,942,451	$	938,157

The accompanying notes are an integral part of these statements

AMERICAN REALTY CAPITAL TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2008	Period from August 17, 2007 (date of inception) to December 31, 2007
Rental income	$ 5,546,363	$ —
Expenses		
Property management fees to affiliate		