

The logo features the letters 'AR' in a large, white, serif font. A white arc curves over the top of the 'R'. To the right of the 'AR' is the word 'Global' in a smaller, white, sans-serif font.

AR Global

2nd Quarter 2016 Webinar Series





Second Quarter 2016 Investor Presentation

Risk Factors

Investing in our common stock involves a high degree of risk. See the section entitled “Risk Factors” in our most recent Annual Report on Form 10-K for a discussion of the risks which should be considered in connection with American Finance Trust, Inc. (“AFIN” or the “Company”).

Forward-Looking Statements

This presentation may contain forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “would,” “could,” “should,” “seeks,” “intends,” “plans,” “projects,” “estimates,” “anticipates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases.

Please review the end of this presentation and the Company’s most recent Annual Report on Form 10-K for a more complete list of risk factors, as well as a discussion of forward-looking statements and other details.



American
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PORTFOLIO UPDATE

PORTFOLIO UPDATE:

AS OF 6/30/2016



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- **Strong Portfolio:** 459 net lease assets with over 71% investment grade ⁽¹⁾ tenants and 1 senior commercial mortgage loan as of June 30, 2016
- **Leverage:** 48.0% total debt to total assets with a weighted average effective interest rate of 4.76%
- **Flexible Cash Position:** Cash balance of \$149.0 million provides operational flexibility
- **Selective Acquisitions:** Management will continue to evaluate real estate properties and real estate debt investments throughout 2016
- **Net Asset Value:** On March 17, 2016, the Company's independent directors unanimously reaffirmed an estimated per-share net asset value ("Estimated Per-Share NAV") equal to \$24.17 as of December 31, 2015
- **Distribution Rate:** AFIN continues to pay an annualized distribution per share of \$1.65, or 6.83% based on the most recent Estimated Per-Share NAV
- **2nd Quarter Activity:**
 - **Sold** 8 SunTrust Bank ("SunTrust") properties for a total contact price of \$28.9 million, resulting in a gain of \$0.5 million
 - **Amended** lease terms on 160 SunTrust leases, increasing overall weighted average remaining lease term and annualized straight-line rent ("SLR") in SunTrust portfolio

(1) Includes actual and implied ratings; please see following slide. Calculations based on annualized SLR on a weighted-average basis.

In May 2016, AFIN and SunTrust Executed Agreements to Extend the Majority of SunTrust Leases for 10+ years

- AFIN had leasing agreements with SunTrust that were set to expire on December 31, 2017⁽¹⁾
 - As of March 31, 2016 AFIN owned 213 SunTrust properties, and its leases represented **18% of total annualized SLR** – AFIN's largest tenant

- On May 12, 2016, AFIN and SunTrust executed various agreements to extend leases for the majority of the 213 SunTrust properties

Lease Extensions Include	<ul style="list-style-type: none"> ✓ Long-term lease extensions with significant annual rent increases ✓ 1.50% annually for 10+ years
Increases WAVG Remaining Lease Term	<ul style="list-style-type: none"> ✓ Increases the overall AFIN weighted average lease term profile ✓ Weighted average remaining lease term increased to 9.6 years as of June 30, 2016, compared to 8.4 years as of March 31, 2016
Mitigates Risk	<ul style="list-style-type: none"> ✓ Effectively eliminates significant uncertainty associated with SunTrust ✓ SunTrust is a key tenant and an investment grade credit

1) For 209 properties, the lease agreements were set to expire December 31, 2017; the remaining 4 properties had lease expirations on March 31, 2018.

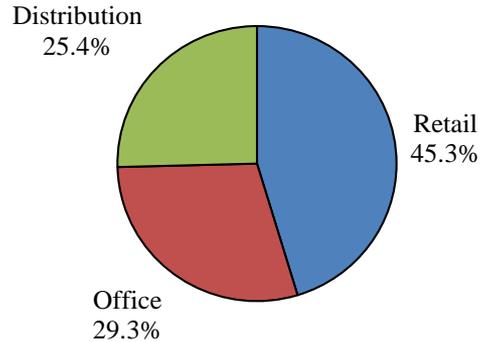
AFIN PORTFOLIO STRENGTH:

AS OF JUNE 30, 2016



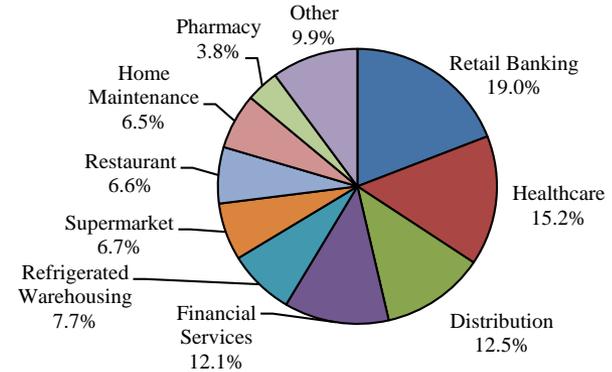
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Property Type⁽¹⁾



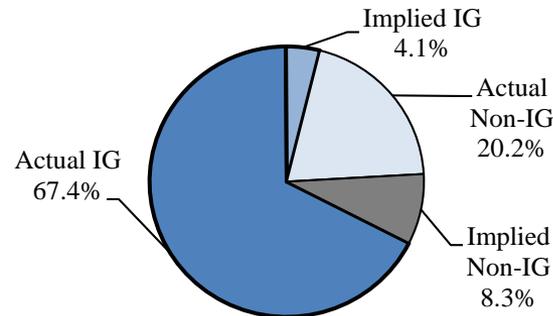
➤ Diverse, retail focused property mix

Tenant Industry⁽¹⁾



➤ AFIN's tenants operate in 18 different industries

Tenant Credit Rating⁽¹⁾⁽²⁾⁽³⁾



➤ Over 71% Actual & Implied Investment Grade Tenant Ratings

- 1) Graphs percentages are based on annualized SLR as of June 30, 2016.
- 2) Actual ratings reflect the tenant rating. Implied Ratings are determined using a proprietary Moody's analytical tool which compares the risk metrics of the non-rated company to those of a company with an Actual Rating. A tenant with a parent that has an investment grade rating is included in implied investment grade. Ratings information is as of June 30, 2016.
- 3) Implied Non-IG includes companies that are not rated by the Company's Implied Ratings system.

- ❑ Review opportunities to extend leases on existing properties in order to increase average lease term across entire portfolio.
- ❑ Continue to market certain properties in order to maximize value through sales and maintain portfolio level NOI through newly executed leases.
- ❑ Evaluate current portfolio for dispositions and/or joint venture opportunities.
 - ❑ Investment team conducts on-going analysis to identify key markets in which AFIN can harvest maximum value of assets.
- ❑ Monitor the publicly traded REIT market and evaluate liquidity options.

FINANCIAL OVERVIEW



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American Finance Trust, Inc.

Balance Sheet Metrics – 6/30/2016

(all in \$000s)

Total Real Estate Investments, at Cost	\$2,220,877
Less: Accumulated Depreciation and Amortization	(265,183)
Total Real Estate Investments, Net	1,955,694
Cash and Cash Equivalents	148,993
Commercial Mortgage loan, held for investment, net	17,150
Other Assets	34,152
Total Assets	<u>\$2,155,989</u>
Mortgage Notes Payable ⁽¹⁾	\$1,034,682
Other Liabilities	45,486
Total Liabilities	1,080,168
Total Equity	1,075,821
Total Liabilities and Equity	<u>\$2,155,989</u>
Total Debt / Total Assets	48.0%

⁽¹⁾ Mortgage Notes Payable reflects the gross payable balance, including mortgage premiums, net, less \$17.7 million of net deferred financing costs

- As of 6/30/2016, AFIN had cash and cash equivalents of \$149.0 million.
- Future short-term operating liquidity requirements are met through a combination of cash on hand, cash from operations and proceeds from secured mortgage financings.
- The corporate leverage ratio as of 6/30/2016 is 48.0%.



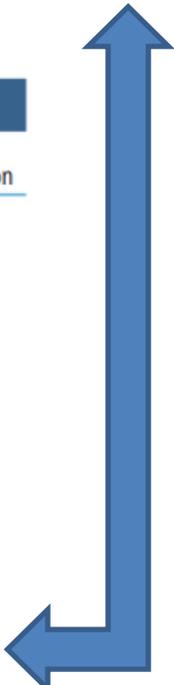
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MARKET OVERVIEW

- On August 31, equity REITs were moved out of the GICS financial sector into its own industry code.
- This marks the first change to the GICS structure since its introduction in 1999.
- This change validates REITs as an asset class and potentially will lead to increased coverage and fund flows for listed REITs that are included in an index.

Following the reclassification of REITs out of financials, the real estate sector will represent approximately 3.4% of the S&P 1500 index, larger than utilities, materials, and telecom

Current GICS Sector Breakdown			Future GICS Sector Breakdown		
	Weight	Market Capitalization		Weight	Market Capitalization
Consumer Discretionary	13.19	72,310	Consumer Discretionary	13.19	72,310
Consumer Staples	9.28	101,220	Consumer Staples	9.28	101,220
Energy	6.51	117,367	Energy	6.51	117,367
Financials	17.51	91,481	Financials	14.09	109,035
Health Care	14.20	94,107	Health Care	14.20	94,107
Industrials	10.64	64,662	Industrials	10.64	64,662
Information Technology	19.99	228,144	Information Technology	19.99	228,144
Materials	3.16	21,366	Materials	3.16	21,366
Telecommunication Services	2.19	172,577	Telecommunication Services	2.19	172,577
Utilities	3.32	23,243	Utilities	3.32	23,243
			Real Estate	3.43	19,279

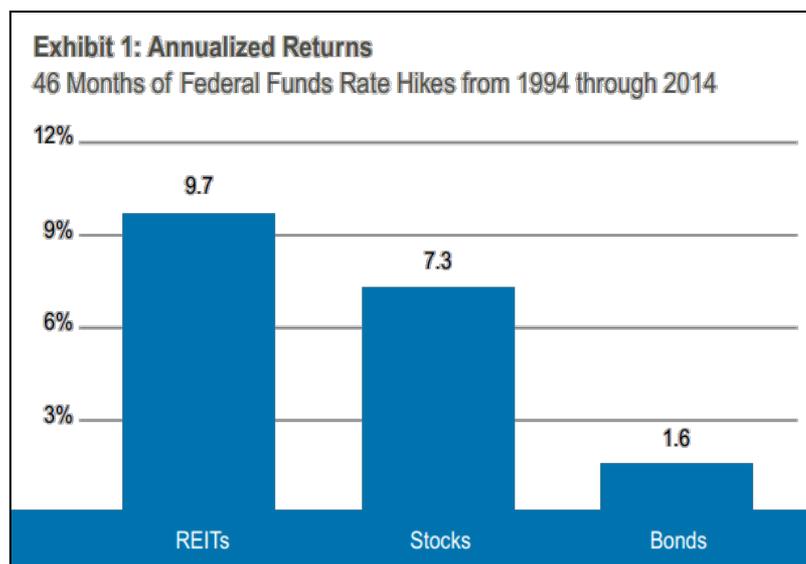


(1) Nuveen Asset Management, "Real Estate to Join GICS Sectors". FactSet as of 9/30/15. Data represents the S&P 1500 Index, a broad reaching index covering approximately 90% of the U.S. market capitalization, to demonstrate how the addition of the real estate sector will change the GICS sector breakdown. The future breakdown is based on guidance from MSCI and Standard & Poor's. Indices are unmanaged and unavailable for investment.

WHAT ABOUT RISING RATES?



- Although we are still at a sub 2% 10-year Treasury, investors have expressed concern over potential rising rates in the near term
- Contrary to popular belief, REITs can perform well during Fed tightening periods
- Rising Treasury yields and Fed tightening typically indicate a recovering economy and positive conditions for real estate that drive occupancy and rent growth.
- Even with potential rate hikes, we are still in a period of historically low borrowing costs and cap rate spreads remain attractive
- As shown in this chart, over the past 20 years, REITs outperformed stocks and bonds during periods of a rising federal funds rate. Since 1994, there have been 46 months of during which the Fed increased the fed funds rate. Over those 46 months, annualized returns for the 3 major asset classes were as follows:



Source: Cohen and Steers, "What History Tells us About REIT's and Rising Rates". REITs are represented by the FTSE NAREIT Equity REIT index. Stocks are represented by the S&P 500 Index. Bonds are represented by the Barclays Capital U.S. Aggregate Bond Index. Federal funds rate hike periods include: 2/4/94-2/1/95; 6/30/99-6/16/00; 6/30/04-6/30/06

DEMAND FOR NET-LEASE CONTINUES



During the 2nd quarter of 2016 approximately \$10.0 billion was invested in the Net Lease Sector (\$18.8 billion YTD), a 13% increase from the 1st quarter.

1031 buyers and private institutional investors are expected to remain active through the remainder of the year. **Assets with strong credit and term** will remain key for these increasingly risk-averse buyers.

Net-lease buyers continue to operate in a market **with favorable cost of borrowing**, with the 10 year treasury rate under 2.0% since February 2016.

Transaction volumes are returning to 3-year averages after peaking in 2015, while **cap rates** continue to compress nationwide, decreasing 25 bps from the 2015 average to **6.4%**.

Foreign investors continue to remain active in the net lease sector, increasing their acquisitions **27.5%** year-over-year – most notably in **secondary markets**.



Michael Weil

Chief Executive Officer, President and Chairman of the Board of Directors

- Founding partner of AR Global
- Supervised the origination of investment opportunities for all AR Global-sponsored investment programs
- Previously served as Senior VP of sales and leasing for American Financial Realty Trust (AFRT)
- Served as president of the Board of Directors of the Real Estate Investment Securities Association (REISA)



Nicholas Radesca

Chief Financial Officer, Treasurer and Secretary

- Formerly CFO & Corporate Secretary for Solar Capital Ltd. And Solar Senior Capital Ltd.
- Previously served as Chief Accounting Officer at iStar Financial, Inc.



Jason Slear

Senior Vice President of Real Estate Acquisitions/Dispositions

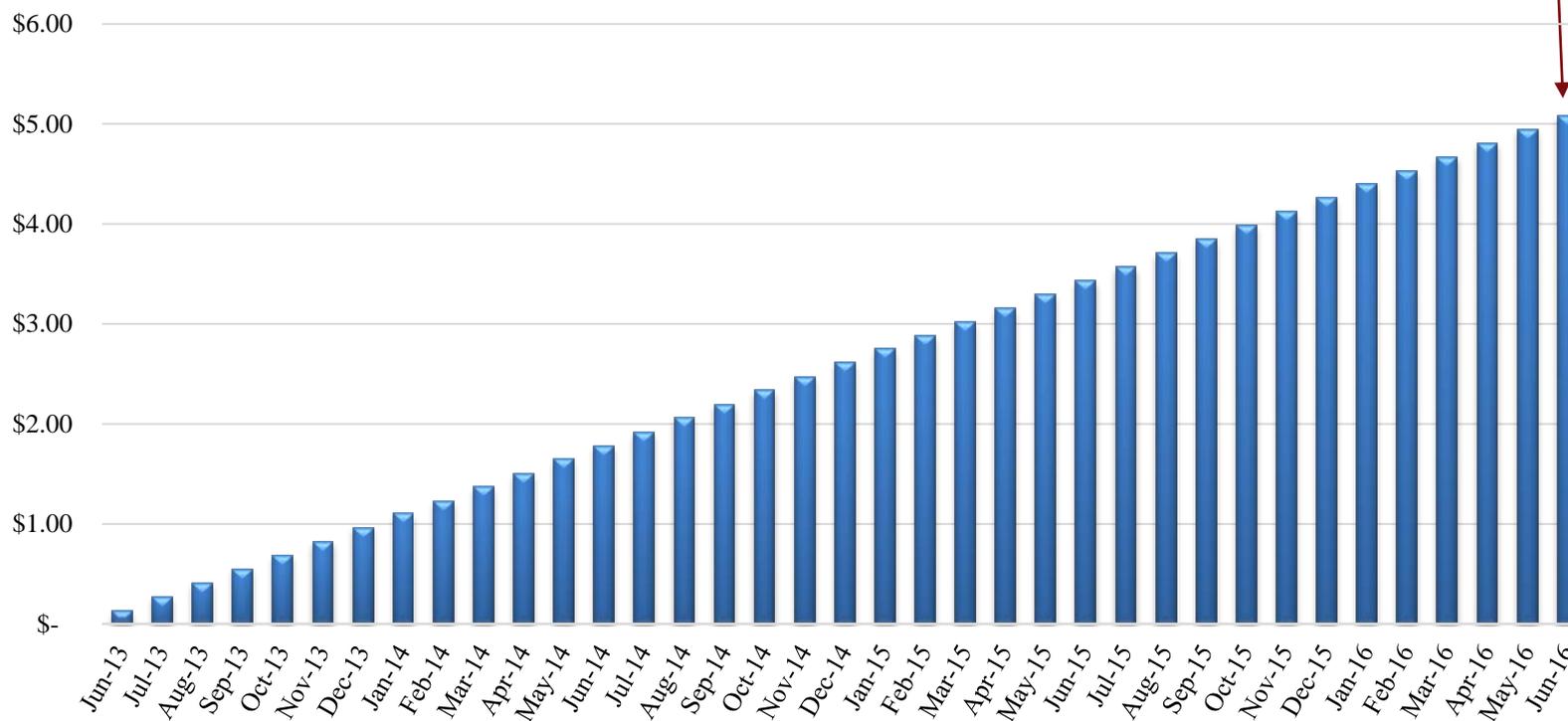
- Responsible for sourcing, negotiating, and closing AR Global's real estate acquisitions
- Formerly east coast territory director for American Financial Realty Trust (AFRT) where he was responsible for the disposition and leasing activity for a portion of AFRT's 37.3 million square foot portfolio

CONSISTENT DISTRIBUTIONS



Since inception, AFIN has paid out \$5.09 per share of regular distributions in cash and DRIP.

\$5.09 per share
(Cumulative)⁽¹⁾



⁽¹⁾ Totals as of each period presented represent cumulative distributions per share paid to stockholders of record who have held shares since May 13, 2013, the date when our distributions began to accrue. On April 9, 2013, our board of directors authorized, and we declared, distributions of \$1.65 per annum, per share of common stock.

Strategic Review:

We have announced that a special committee comprised entirely of independent directors (the "Special Committee") has initiated a strategic review process to identify, examine and consider a range of strategic alternatives available to us with the objective of maximizing shareholder value, including potential strategic transactions involving us and one or more entities sponsored by affiliates of AR Global Investments, LLC (the successor business to AR Capital, LLC, "AR Global" or our "Sponsor"). The Special Committee has not made a decision whether to recommend to our board of directors that we enter into any proposed transaction, and there can be no assurance that any of these preliminary discussions will result in a definitive agreement or that any such transactions would be approved by stockholders.

Share Repurchase Plan:

On June 28, 2016, in consideration of the strategic review process, the board of directors of the Company determined to amend the Company's existing share repurchase program (the "SRP" and the "SRP Amendment") to provide for one twelve-month repurchase period for calendar year 2016 (the "2016 Repurchase Period") instead of two semi-annual periods ending June 30 and December 31. The annual limit on repurchases under the SRP remains unchanged and continues to be limited to a maximum of 5.0% of the weighted average number of shares of common stock of the Company outstanding during its prior fiscal year (the "2015 Outstanding Shares") and is subject to the terms and limitations set forth in the SRP. Accordingly, the 2016 Repurchase Period will be limited to a maximum of 5.0% of the 2015 Outstanding Shares and continue to be subject to the terms and conditions set forth in the SRP, as amended. Following calendar year 2016, the repurchase periods will return to two semi-annual periods and applicable limitations set forth in the SRP. The SRP Amendment also provides, for calendar year 2016 only, that any amendments, suspensions or terminations of the SRP will become effective on the day following the Company's public announcement of such amendments, suspension or termination. The SRP Amendment became effective on July 30, 2016 and only applies to repurchase periods in calendar year 2016.

Dividend Reinvestment Program:

On August 30, 2016, in consideration of the strategic review, the board of directors of the Company determined to suspend the Company's distribution reinvestment plan effective immediately upon mailing a notice of the suspension to each distribution reinvestment plan participant.

Our potential risks and uncertainties are presented in the section titled “Item 1A. Risk Factors” disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Reports on Form 10-Q filed from time to time. The following are some of the risks and uncertainties, although not all risks and uncertainties, that could cause our actual results to differ materially from those presented in our forward-looking statements:

- We have announced that the Special Committee has initiated a strategic review process to identify, examine and consider a range of strategic alternatives available to us with the objective of maximizing shareholder value, including potential strategic transactions involving us and one or more entities sponsored by affiliates of AR Global. The Special Committee has not made a decision whether to recommend to our board of directors that we enter into any proposed transaction, and there can be no assurance that any of these preliminary discussions will result in a definitive agreement or that any such transactions would be approved by stockholders.
- All of our executive officers are also officers, managers or holders of a direct or indirect controlling interest in American Finance Advisors, LLC (our "Advisor") or other entities under common control with AR Global. As a result, our executive officers, our Advisor and its affiliates face conflicts of interest, including significant conflicts created by our Advisor's compensation arrangements with us and other investment programs advised by affiliates of our Sponsor and conflicts in allocating time among these entities and us, which could negatively impact our operating results.
- Although we previously announced our intention to list our shares of common stock on the New York Stock Exchange, there can be no assurance that our shares of common stock will be listed. No public market currently exists, or may ever exist, for shares of our common stock and our shares are, and may continue to be, illiquid.
- We depend on tenants for our rental revenue and, accordingly, our rental revenue is dependent upon the success and economic viability of our tenants.
- Our tenants may not achieve our rental rate incentives and our expenses could be greater, which may impact our results of operations.

- We have not generated, and in the future may not generate, operating cash flows sufficient to cover 100% of our distributions, and, as such, we may be forced to source distributions from borrowings, which may be at unfavorable rates, or depend on our Advisor to waive reimbursement of certain expenses or fees. There is no assurance that our Advisor will waive reimbursement of expenses or fees.
- We may be unable to pay or maintain cash distributions at the current rate or increase distributions over time.
- We are obligated to pay fees, which may be substantial, to our Advisor and its affiliates.
- We are subject to risks associated with any dislocation or liquidity disruptions that may exist or occur in the credit markets of the United States of America.
- We may fail to continue to qualify to be treated as a real estate investment trust for U.S. federal income tax purposes, which would result in higher taxes, may adversely affect our operations and would reduce the value of an investment in our common stock and our cash available for distributions.
- We may be deemed by regulators to be an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and thus subject to regulation under the Investment Company Act.

- For account information, including balances and the status of submitted paperwork, please call us at (866) 902-0063

- Financial Advisors may view client accounts, statements and tax forms at www.dstvision.com

- Shareholders may access their accounts at www.ar-global.com

The logo for American Finance Trust features two vertical white bars of varying heights on the left side. To the right of these bars, the words "American" and "Finance Trust" are stacked vertically in a large, white, serif font.

American Finance Trust

AmericanFinanceTrust.com