UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2015

OR

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

For the transition period from _________ to __________

Commission file number: 001-37390

Global Net Lease, Inc.

(Exact name of registrant as specified in its charter)

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

(212) 415-6500

(Registrant's telephone number, including area code)

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

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

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

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

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

As of July 15, 2015 , the registrant had 169,068,655 shares of common stock outstanding.

GLOBAL NET LEASE, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

PART I — FINANCIAL INFORMATION
Item 1. Financial Statements.

GLOBAL NET LEASE, INC.

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

	June 30, 2015	December 31, 2014
	(Unaudited)	
ASSETS		
Real estate investments, at cost:		
Land	$ 329,139	$ 326,696
Buildings, fixtures and improvements	1,542,773	1,519,558
Construction in progress	145	9,706
Acquired intangible lease assets	486,825	484,079
Total real estate investments, at cost	2,358,882	2,340,039
Less accumulated depreciation and amortization	(87,080)	(42,568)
Total real estate investments, net	2,271,802	2,297,471
Cash and cash equivalents	61,642	64,684
Restricted cash	4,122	6,104
Derivatives, at fair value	5,698	13,638
Investment securities, at fair value	469	490
Prepaid expenses and other assets	31,359	24,873
Due from affiliates	192	500
Deferred tax assets	2,426	2,102
Goodwill and other intangible assets, net	3,345	3,665
Deferred financing costs, net	12,706	15,270
Total assets	$ 2,393,761	$ 2,428,797
LIABILITIES AND STOCKHOLDERS' EQUITY		
Mortgage notes payable	$ 337,397	$ 281,186
Mortgage premium, net	921	1,165
Credit facility	596,115	659,268
Below-market lease liability, net	20,881	21,676
Derivatives, at fair value (Note 8)	3,671	6,115
Listing note, at fair value (Note 6)	4,430	—
Due to affiliates	1,953	400
Accounts payable and accrued expenses	22,774	19,357
Tender offer payable	125,000	—
Prepaid rent	11,891	12,252
Current taxes payable	2,661	—
Dividends payable	—	10,709
Total liabilities	1,127,694	1,012,128
Commitments and contingencies (Note 9)		
Equity:		
Preferred stock, $0.01 par value, 50,000,000 authorized, none issued and outstanding	—	—
Common stock, $0.01 par value, 300,000,000 shares authorized,168,947,744 and 177,933,175 shares issued and outstanding as of June 30, 2015 and December 31, 2014, respectively	1,692	1,782
Additional paid-in capital	1,480,585	1,575,592
Accumulated other comprehensive loss	940	(5,589)
Accumulated deficit	(230,578)	(155,116)
Total stockholders' equity	1,252,639	1,416,669

Non-controlling interests	13,428	—
Total equity	1,266,067	1,416,669
Total liabilities and equity	$ 2,393,761	$ 2,428,797

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

GLOBAL NET LEASE, INC.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Rental income	47,234	13,223	$ 94,666	$ 20,538
Operating expense reimbursements	1,834	405	4,371	637
Total revenues	49,068	13,628	99,037	21,175
Expenses:				
Property operating	3,377	786	7,436	1,019
Operating fees to affiliate	4,065	139	5,309	202
Acquisition and transaction related	212	8,244	1,297	24,759
Listing fees	18,503	—	18,503	—
Vesting of Class B units	14,480	—	14,480	—
Change in fair value of listing note (Note 7)	4,430	—	4,430	—
General and administrative	1,892	877	3,639	1,413
Equity based compensation	503	—	503	—
Depreciation and amortization	22,089	7,640	43,203	11,994
Income tax expense	1,303	658	2,943	1,098
Total expenses	70,854	18,344	101,743	40,485
Operating loss	(21,786)	(4,716)	(2,706)	(19,310)
Other income (expense):				
Interest expense	(7,947)	(2,614)	(15,758)	(4,304)
Income from investments	—	—	7	—
Losses on foreign currency	—	(26)	—	(19)
Gains (losses) on derivative instruments	(3,736)	(171)	475	(250)
Gains (losses) on hedging instrument deemed ineffective	(508)	—	940	—
Unrealized losses on non-functional foreign currency advances not designated as net investment hedges	(11,842)	—	(2,935)	—
Other income	12	48	25	55
Total other income (expense), net	(24,021)	(2,763)	(17,246)	(4,518)
Net loss	(45,807)	(7,479)	(19,952)	(23,828)
Net loss attributable to non-controlling interests	143	—	143	—
Net loss attributable to stockholders	$ (45,664)	$ (7,479)	$ (19,809)	$ (23,828)
Other comprehensive income (loss):				
Cumulative translation adjustment	9,134	3,481	(5,400)	4,733
Designated derivatives, fair value adjustments	4,395	(2,008)	11,929	(4,871)
Comprehensive income (loss) attributable to stockholders	$ (32,135)	$ (6,006)	$ (13,280)	$ (23,966)
Basic and diluted weighted average shares outstanding	180,380,436	111,819,848	179,771,830	74,916,338
Basic and diluted net loss per share attributable to stockholders	$ (0.25)	$ (0.07)	$ (0.11)	$ (0.32)

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

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For the Six Months Ended June 30, 2015
(In thousands, except share data)
(Unaudited)

	Common Stock							
	Number of Shares	Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity	Non-controlling interests	Total Equity
Balance, December 31, 2014	177,933,175	$ 1,782	$ 1,575,592	$ (5,589)	$ (155,116)	$ 1,416,669	$ —	$ 1,416,669
Issuance of common stock	35,463	—	307	—	—	307	—	307
Common stock offering costs, commissions and dealer manager fees	—	—	40	—	—	40	—	40
Common stock repurchases	(124,012)	(1)	(1,207)	—	—	(1,208)	—	(1,208)
Tender offer payable	(11,904,762)	(119)	(124,881)	—	—	(125,000)	—	(125,000)
Common stock issued through dividend reinvestment plan	3,005,936	30	28,548	—	—	28,578	—	28,578
Share-based compensation	1,944	—	—	—	—	—	—	—
Amortization of restricted shares	—	—	138	—		138	—	138
Dividends declared	—	—	—	—	(55,653)	(55,653)	—	(55,653)
Issuance of operating partnership units	—	—	—	—	—	—	750	750
Vesting of Class B units	—	—	—	—	—	—	14,480	14,480
Equity-based compensation	—	—	—	—	—	—	503	503
Net loss	—	—	—	—	(19,809)	(19,809)	(143)	(19,952)
Cumulative translation adjustment	—	—	—	(5,400)	—	(5,400)	(87)	(5,487)
Other comprehensive income	—	—	—	11,929	—	11,929	(27)	11,902
Rebalancing of ownership percentage	—	—	2,048	—	—	2,048	(2,048)	—
Balance, June 30, 2015	168,947,744	$ 1,692	$ 1,480,585	$ 940	$ (230,578)	$ 1,252,639	$ 13,428	$ 1,266,067

The accompanying notes are an integral part of this consolidated financial statement.

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014 (Revised)
Cash flows from operating activities:		
Net loss	$ (19,952)	$ (23,828)
Adjustments to reconcile net income (loss) to net cash used in by operating activities:		
Depreciation	22,488	6,680
Amortization of intangibles	20,715	5,314
Amortization of deferred financing costs	3,916	806
Amortization of mortgage premium	(244)	(248)
Amortization of below-market lease liabilities	(997)	414
Amortization of above-market lease assets	1,164	—
Amortization of above/below market ground lease asset	43	—
Vesting of Class B units	14,480	—
Equity-based compensation	503	—
Share-based compensation	138	27
Net realized and unrealized mark-to-market transactions	(1,550)	250
Change in fair value of listing note	4,430	—
Depreciation of investment in securities	21	—
Changes in operating assets and liabilities, net:		
Prepaid expenses and other assets	(7,102)	(886)
Deferred tax asset	(324)	—
Accounts payable and accrued expenses	4,408	5,862
Prepaid rent	(361)	2,377
Current taxes payable	2,661	—
Net cash provided by (used in) operating activities	44,437	(3,232)
Cash flows from investing activities:		
Investment in real estate and real estate related assets	(47,184)	(440,093)
Deposits for real estate acquisitions	616	(5,484)
Proceeds from termination of derivatives	10,055	—
Capital expenditures	(2,322)	—
Net cash used in investing activities	(38,835)	(445,577)
Cash flows from financing activities:		
Borrowings under credit facility	251,572	19,671
Repayments on credit facility	(295,000)	(19,571)
Proceeds from notes payable	—	13,119
Payments on notes payable	—	(13,119)
Proceeds from mortgage notes payable	61,439	—
Payments on mortgage notes payable	(359)	(338)
Proceeds from issuance of common stock	307	1,547,011
Proceeds from issuance of operating partnership units	750	—
Payments of offering costs	40	(159,283)
Payments of deferred financing costs	(1,397)	(7,989)
Dividends paid	(37,784)	(8,552)
Payments on share repurchase program	(2,199)	—
Advances from affiliates, net	1,861	459
Restricted cash	1,982	(1,275)
Net cash (used in) provided by financing activities	(18,788)	1,370,133

Net change in cash and cash equivalents	(13,186)	921,324
Effect of exchange rate changes on cash	10,144	3,720

GLOBAL NET LEASE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,			
	2015		2014	
Cash and cash equivalents, beginning of period		64,684		11,500
Cash and cash equivalents, end of period	$	61,642	$	936,544
Supplemental Disclosures:				
Cash paid for interest	$	10,067	$	2,400
Cash paid for income taxes		1,022		9
Non-Cash Investing and Financing Activities:				
Mortgage note payable assumed or used to acquire investments in real estate	$	—	$	101,880
Borrowings under credit facility to acquire real estate		—		71,528
Tender offer payable		125,000		—
Common stock issued through dividend reinvestment plan		28,578		10,223

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

Note 1 — Organization

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

On June 30, 2014 , the Company completed its initial public offering ("IPO") after selling 172.3 million shares of common stock, $0.01 par value per share ("Common Stock"), at a price of $10.00 per share, subject to certain volume and other discounts. In addition, the Company issued an additional 1.1 million shares pursuant to its dividend reinvestment program (the "DRIP"). On April 7, 2015, in anticipation of the listing of the Common Stock (the "Listing") on the New York Stock Exchange (the "NYSE"), the Company announced the suspension of the DRIP. On May 7, 2015, the Company filed a post-effective amendment to the Registration Statement to deregister the unsold shares registered under the Registration Statement.

The Company operated as a non-traded REIT through June 1, 2015 . On June 2, 2015 (the "Listing Date"), the Company listed its Common Stock on the NYSE under the symbol "GNL". In connection with the Listing, the Company offered to purchase up to 11.9 million shares of its Common Stock at a price of $10.50 per share (the “Tender Offer”). The Company accrued for the $125.0 million obligation under its Tender Offer as of June 30, 2015 . As a result of the Tender Offer, on July 6, 2015 , the Company purchased approximately 11.9 million shares of its Common Stock at a price of $10.50 per share, for an aggregate amount of $125.0 million , excluding fees and expenses relating to the Tender Offer and including fractional shares repurchased thereafter.

The Company was formed to primarily acquire a diversified portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant net-leased commercial properties. The Company may also originate or acquire first mortgage loans secured by real estate. The Company's primary geographic target is the United States, although up to 40% of its portfolio may consist of properties purchased in Europe with an additional 10% allocation to properties purchased elsewhere internationally. As of June 30, 2015 , the Company owned 311 properties consisting of 16.5 million rentable square feet, which were 100.0% leased, with weighted average remaining lease term of 11.4 years . 61.7% of the Company's properties are located in U.S. and 38.3% are located in Europe.

Substantially all of the Company's business is conducted through Global Net Lease Operating Partnership, L.P. (the "OP"), a Delaware limited partnership. As of June 30, 2015 , the OP had issued 1,809,678 units of limited partnership interests (" OP Units") to limited partners other than the Company, of which 1,809,656 OP Units were issued to Global Net Lease Advisors, LLC (the "Advisor") and 22 OP Units were issued to Global Net Lease Special Limited Partner, LLC (the "Special Limited Partner") (see Note 11 — Related Party Transactions). In accordance with the limited partnership agreement of the OP, a holder of OP Units has the right to convert OP Units, at the Company's option, for a corresponding number of shares of the Company's Common Stock or the cash value of those corresponding shares. The remaining rights of the limited partner interests are limited and do not include the ability to replace the general partner or to approve the sale, purchase or refinancing of the OP's assets.

The Company has no direct employees. The Company has retained the Advisor to manage the Company's affairs on a day-to-day basis. The properties are managed and leased by Global Net Lease Properties, LLC (the "Property Manager"). Realty Capital Securities, LLC (the "Legacy Dealer Manager") served as the dealer manager of the IPO. The Advisor, Property Manager and Legacy Dealer Manager are affiliates of AR Capital Global Holdings, LLC ("the Sponsor") and Special Limited Partner as a result of which are related parties. These related parties receive compensation and fees for various services provided to the Company. The Advisor has entered into a service provider agreement with Moor Park Capital Partners LLP (the "Service Provider"). Pursuant to the service provider agreement, the Service Provider provides, subject to the Advisor's oversight, certain real estate related services, as well as sourcing and structuring of investment opportunities, performance of due diligence, and arranging debt financing and equity investment syndicates, solely with respect to investments in Europe. Pursuant to the service provider agreement, a portion of the fees payable by the Company to the Advisor and a percentage of the fees paid to the Property Manager are paid or assigned to the Service Provider, solely with respect to the Company's foreign investment strategy in Europe. Such fees are deducted from fees paid to the Advisor.

Note 2 — Summary of Significant Accounting Policies

The accompanying unaudited consolidated financial statements of the Company included herein were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to this Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The information furnished includes all adjustments and accruals of a normal recurring nature, which, in the opinion of management, are necessary for a fair presentation of results for the interim periods. All intercompany accounts and transactions have been eliminated in consolidation. The results of operations for the three and six months ended June 30, 2015 are not necessarily indicative of the results for the entire year or any subsequent interim period.

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2014 , which are included in the Company's Annual Report on Form 10-K filed with the SEC on April 3, 2015 . There have been no significant changes to the Company's significant accounting policies during the six months ended June 30, 2015 , other than the updates described below and the subsequent notes.

Reclassifications

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

Out-of-period adjustments

During the six months ended June 30, 2015 , the Company recorded (i) additional rental income and accrued rent of $0.3 million related to the straight-line rent effect of correctly including termination payments required under leases with cancellation clauses that were considered probable when assessing the lease term and (ii) additional taxes of $0.9 million representing current foreign taxes payable of $1.2 million and a deferred tax asset of $0.3 million , both relating to 2014. We concluded that these adjustments were not material to our financial position or results of operations for the current period or any of the prior periods, accordingly, the Company recorded the related adjustments during the six months ended June 30, 2015 .

Revisions to historical cash flow statements

During the year ended December 31, 2014 , the Company identified certain historical errors in the preparation of its statement of cash flows. Specifically, the company had been (i) reflecting rent credits in connection with purchased real estate as deferred rent at closing which was then reflected as a cash inflow from operations rather than as part of the purchase price in investing activity and (ii) reflecting certain advances on its credit line (for which it did not take constructive receipt) used to acquire investments in real estate as cash inflows from financing activities and cash outflows from investing activities rather than as non-cash investing and financing activities. The Company concluded that the errors noted above were significant but not material to its cash flows for any historical periods presented. However, the Company determined that it is useful for the reader of the financial statements to view these adjustments in the period in which they originated and, as such, has revised the cash flow statement for the six months ended June 30, 2014 (as below) and will revise future quarterly presentations of the cash flow statements when the quarterly 2014 periods are refiled in 2015 for comparative purposes. The effects of these revisions are summarized below:

		Revisions		
Six months ended June 30, 2014	As originally reported	Item 1	Item 2	As revised
Net Cash provided by (used in) Operating Activities	$ (769)	$ (2,463)	$ —	$ (3,232)
Net Cash provided by (used in) Investing Activities	$ (519,568)	$ 2,463	$ 71,528	$ (445,577)
Net Cash provided by (used in) Financing Activities	$ 1,441,661	$ —	$ (71,528)	$ 1,370,133
Additional non-cash financing activities:				
Line of credit draws used directly to acquire investments in real estate	$ —	$ —	$ 71,528	$ 71,528

Nine months ended September 30, 2014	As originally reported	Revisions Item 1	Revisions Item 2	As revised
Net Cash provided by (used in) Operating Activities	$ 352	$ (10,000)	$ —	$ (9,648)
Net Cash provided by (used in) Investing Activities	$ (1,408,617)	$ 10,000	$ 309,096	$ (1,089,521)
Net Cash provided by (used in) Financing Activities	$ 1,672,715	$ —	$ (309,096)	$ 1,363,619
Additional non-cash financing activities:				
Line of credit draws used directly to acquire investments in real estate	$ —	$ —	$ 309,096	$ 309,096

Listing Note

Concurrent with the Listing, the Company, as the general partner of the OP, caused the OP, subject to the terms of the Second Amended and Restated Agreement of Limited Partnership, to evidence the OP's obligation to distribute certain amounts to the Special Limited Partner ("the Listing Note"). The amount of the Listing Note is determined, in part, based on the average market value of the Company's outstanding shares of Common Stock for the period of 30 consecutive trading days, commencing on the 180th calendar day following the Listing. Until the principal amount of the Listing Note is determined, the Listing Note is treated as a liability and the Company estimates the contingent consideration using a valuation model and records the fair value of the Listing Note on the consolidated balance sheets. The initial fair value and subsequent changes in fair value are recorded in the consolidated statements of operations and comprehensive income (loss).

Multi-Year Outperformance Agreement

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

Tender Offer

The Company recorded the excess of the cost of the tendered shares over its par value as a reduction in additional paid-in capital, excluding expenses relating to the Tender Offer and including fractional shares repurchased thereafter (see Note 9 — Common Stock).

Recently Issued Accounting Pronouncements (Pending Adoption)

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

In February 2015, the FASB issued ASU 2015-02 *Consolidation (Topic 810) - Amendments to the Consolidation Analysis* . The new guidance applies to entities in all industries and provides a new scope exception to registered money market funds and similar unregistered money market funds. It makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the variable interest entity (VIE) guidance. The standard does not add or remove any of the characteristics that determine if an entity is a VIE. However, when decision-making over the entity's most significant activities has been outsourced, the standard changes how a reporting entity assesses if the equity holders at risk lack decision making rights. Previously, the reporting entity would be required to determine if there is a single equity holder that is able to remove the outsourced decision maker that has a variable interest. The new standard requires that the reporting entity first consider the rights of all of the equity holders at risk. If the equity holders have certain rights that are deemed to give them the power to direct the entity's most significant activities, then the entity does not have this VIE characteristic. The new standard also introduces a separate analysis specific to limited partnerships and similar entities for assessing if the equity holders at risk lack decision making rights. Limited partnerships and similar entities will be VIEs unless the limited partners hold substantive kick-out rights or participating rights. In order for such rights to be substantive, they must be exercisable by a simple majority vote (or less) of all of the partners (exclusive of the general partner and its related parties). A right to liquidate an entity is viewed as akin to a kick-out right. The guidance for limited partnerships under the voting model has been eliminated in conjunction with the introduction of this separate analysis, including the rebuttable presumption that a general partner unilaterally controls a limited partnership and should therefore consolidate it. A limited partner with a controlling financial interest obtained through substantive kick out rights would consolidate a limited partnership. The standard eliminates certain of the criteria that must be met for an outsourced decision maker or service provider's fee arrangement to not be a variable interest. Under current guidance, a reporting entity first assesses whether it meets power and economics tests based solely on its own variable interests in the entity to determine if it is the primary beneficiary required to consolidate the VIE. Under the new standard, a reporting entity that meets the power test will also include indirect interests held through related parties on a proportionate basis to determine whether it meets the economics test and is the primary beneficiary on a standalone basis. The standard is effective for annual periods beginning after December 15, 2015. Early adoption is allowed, including in any interim period. The Company is currently evaluating the impact of the new guidance on the consolidated financial statements.

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

Note 3 — Real Estate Investments

The following table reflects the number and related base purchase prices of properties acquired as of December 31, 2014 and during the six months ended June 30, 2015 :

	Number of Properties	Base Purchase Price (1)
		(In thousands)
As of December 31, 2014	307	$ 2,378,554
Six Months ended June 30, 2015	4	47,184
Portfolio as of June 30, 2015	**311**	**$ 2,425,738**

(1) Contract purchase price, excluding acquisition related costs, based on the exchange rate at the date of purchase, where applicable.

The following table presents the allocation of the assets acquired and liabilities assumed during the six months ended June 30, 2015 and 2014 based on contract purchase price, excluding acquisition related costs, based on the exchange rate at the time of purchase.

	Six Months Ended June 30,	
(Dollar amounts in thousands)	**2015**	**2014**
Real estate investments, at cost:		
Land	$ 6,867	$ 94,839
Buildings, fixtures and improvements	31,635	342,617
Total tangible assets	**38,502**	**437,456**
Intangibles acquired:		
In-place leases	8,571	151,957
Above market lease asset	166	29,880
Below market lease liability	(632)	(3,329)
Below market ground lease	577	—
Total assets acquired, net	**47,184**	**615,964**
Mortgage notes payable used to acquire real estate investments	—	(101,880)
Cash paid for acquired real estate investments	**$ 47,184**	**$ 514,084**
Number of properties purchased	**4**	**59**

The following table presents unaudited pro forma information as if acquisitions completed during the three and six months ended June 30, 2015 , had been consummated on January 1, 2014 . Additionally, the unaudited pro forma net income (loss) was adjusted to exclude acquisition and transaction related expenses of $0.2 million and $1.3 million from the three and six months ended June 30, 2015 , respectively. Such acquisition and transaction related expenses have been reflected in the three and six months ended June 30, 2014 as if such acquisitions costs had been consummated on January 1, 2014 . Acquisitions which have occurred subsequent to June 30, 2015 but prior to the issuance of these consolidated financial statements are not included in the table below as the purchase price allocations for land, buildings, fixtures and improvements, and in-place lease intangibles have been provisionally assigned to each class of asset, pending receipt of information being prepared by a third-party specialist.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2015**	**2014**	**2015**	**2014**
Pro forma revenues	$ 50,102	$ 22,018	$ 100,752	$ 45,476
Pro forma net income (loss)	$ (44,577)	$ 2,596	$ (17,306)	$ 3,030
Pro forma basic and diluted net income (loss) per share	$ (0.25)	$ 0.02	$ (0.10)	$ 0.04

The following table presents future minimum base rental cash payments due to the Company over the next five years and thereafter as of June 30, 2015 . These amounts exclude contingent rent payments, as applicable, that may be collected from certain tenants based on provisions related to sales thresholds and increases in annual rent based on exceeding certain economic indices among other items.

(In thousands)	**Future Minimum Base Rent Payments**
July 1, 2015 to December 31, 2015	$ 88,978
2016	180,145
2017	183,690
2018	186,227
2019	188,720
Thereafter	1,226,853
	$ 2,054,613

The following table lists the tenants whose annualized rental income on a straight-line basis represented 10.0% or greater of consolidated annualized rental income on a straight-line basis for all portfolio properties as of June 30, 2015 and 2014 .

	June 30,	
Tenant	2015	2014
Government Services Administration	*	11.1%

*Tenant's annualized rental income on a straight-line basis was less than 10% of consolidated annualized rental income for all portfolio properties for the period specified.

No other tenant represented 10.0% or greater of consolidated annualized rental income on a straight-line basis as of June 30, 2015 and 2014 .

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

The following table lists the countries and states where the Company has concentrations of properties where annualized rental income on a straight-line basis represented greater than 10% of consolidated annualized rental income on a straight-line basis as of June 30, 2015 and 2014 .

	June 30,	
Country	**2015**	**2014**
United Kingdom	22.0%	40.3%
United States:		
Texas	11.6%	12.7%

The Company did not own properties in any other countries and states that in total represented 10.0% or greater of consolidated annualized rental income on a straight-line basis as of June 30, 2015 and 2014 .

Note 4 — Revolving Credit Facility

On July 25, 2013, the Company, through the OP, entered into a credit facility agreement that provided for aggregate revolving loan borrowings of up to $50.0 million (subject to borrowing base availability). The credit facility has been amended at various times, and maximum borrowings has increased to $705.0 million at June 30, 2015 . The Company had $596.1 million and $659.3 million outstanding under the credit facility as of June 30, 2015 and December 31, 2014 , respectively.

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

The Company has the option, based upon its consolidated leverage ratio, to have draws under the facility priced at either the Alternate Base Rate (as described below) plus 0.60% to 1.20% or at adjusted LIBOR plus 1.60% to 2.20% . The Alternate Base Rate is defined in the credit facility agreement as a rate per annum equal to the greatest of (a) the fluctuating annual rate of interest announced from time to time by the lender as its “prime rate” in effect on such day, (b) the federal funds effective rate in effect on such day plus 0.5% of 1% and (c) the Adjusted LIBOR for a one-month interest period on such day plus 1% . Adjusted LIBOR refers to LIBOR multiplied by the statutory reserve rate, as determined by the Federal Reserve System of the United States. The credit facility agreement requires the Company to pay an unused fee per annum of 0.25% if the unused balance of the credit facility exceeds or is equal to 50% of the available facility or a fee per annum of 0.15% if the unused balance of the credit facility is less than 50% of the available facility. As of June 30, 2015 , the Company's debt reflected variable-rate borrowings under the credit facility had a carrying value of $596.1 million and a fair value of $608.4 million with a weighted average annual interest rate of 2.1% .

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

A portion of the borrowings in foreign currencies were treated as net investment hedges of the Companies investments during the periods reflected in the statement of operations (See Note 8 - Derivatives and Hedging Activities).

The unused borrowing capacity under the credit facility as of June 30, 2015 and December 31, 2014 , was $108.9 million and $20.7 million , respectively. The Tender Offer obligation was funded in part by the available capacity as of June 30, 2015 (See Note 15 — Subsequent Events).

The credit facility agreement requires the Company to meet certain financial covenants, including the maintenance of certain financial ratios (such as specified debt to equity and debt service coverage ratios) as well as the maintenance of a minimum net worth. As of June 30, 2015 , the Company was in compliance with the financial covenants under the credit agreement.

Note 5 — Mortgage Notes Payable

Mortgage notes payable as of June 30, 2015 and December 31, 2014 consisted of the following:

Country	Portfolio	Encumbered Properties	Outstanding Loan Amount (1) June 30, 2015	Outstanding Loan Amount (1) December 31, 2014	Effective Interest Rate		Interest Rate	Maturity
			(In thousands)	*(In thousands)*				
Germany:								
	Rheinmetall	1	$ 11,760	$ 12,884	2.6%	(2)	Fixed	Jan. 2019
	OBI DIY	1	4,992	5,470	2.4%		Fixed	Jan. 2019
	RWE AG	3	69,338	75,969	1.6%	(2)	Fixed	Oct. 2019
	Rexam	1	5,835	6,394	1.8%	(2)	Fixed	Oct. 2019
	Metro Tonic	1	29,399	32,211	1.7%	(2)	Fixed	Dec. 2019
United Kingdom:								
	McDonald's	1	1,195	1,180	4.1%	(2)	Fixed	Oct. 2017
	Wickes Building Supplies I	1	3,059	3,024	3.7%	(2)	Fixed	May 2018
	Everything Everywhere	1	6,287	6,213	4.0%	(2)	Fixed	Jun. 2018
	Thames Water	1	9,430	9,319	4.1%	(2)	Fixed	Jul. 2018
	Wickes Building Supplies II	1	2,594	2,563	4.2%	(2)	Fixed	Jul. 2018
	Northern Rock	2	8,251	8,155	4.5%	(2)	Fixed	Sep. 2018
	Wickes Building Supplies III	1	2,986	2,951	4.3%	(2)	Fixed	Nov. 2018
	Provident Financial	1	20,039	19,804	4.1%	(2)	Fixed	Feb. 2019
	Crown Crest	1	30,255	29,901	4.3%	(2)	Fixed	Feb. 2019
	Aviva	1	24,676	24,387	3.8%	(2)	Fixed	Mar. 2019
	Bradford & Bingley	1	11,882	—	3.5%	(2)	Fixed	May 2020
	Intier Automotive Interiors	1	7,426	—	3.5%	(2)	Fixed	May 2020
	Capgemini	1	8,644	—	3.2%	(2)	Fixed	Jun. 2020
	Fujitisu	3	38,947	—	3.2%	(2)	Fixed	Jun. 2020
United States:	Western Digital	1	18,126	18,269	5.3%		Fixed	Jul. 2021
Puerto Rico:	Encanto Restaurants	18	22,276	22,492	6.2%		Fixed	Jun. 2017
	Total	**43**	**$ 337,397**	**$ 281,186**	**3.6%**			

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(1) Movement in principal balances are related to changes in exchange rates.
(2) Fixed as a result of an interest rate swap agreement.

The total carrying value of unencumbered assets as of June 30, 2015 is $1.5 billion .

The following table summarizes the scheduled aggregate principal payments on the mortgage notes payable subsequent to June 30, 2015 and thereafter:

(In thousands)	Future Principal Payments
July 1, 2015 — December 31, 2015	$ 363
2016	758
2017	23,113
2018	32,944
2019	196,648
Thereafter	83,571
	$ 337,397

The Company's mortgage notes payable agreements require compliance with certain property-level financial covenants including debt service coverage ratios. As of June 30, 2015 and December 31, 2014 , the Company was in compliance with financial covenants under its mortgage notes payable agreements.

Note 6 — Fair Value of Financial Instruments

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

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

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

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

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

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with those derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. As of June 30, 2015 and December 31, 2014 , the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of the Company's derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

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

Investment Securities

As of June 30, 2015 and December 31, 2014 , the Company had investments in AR Capital Global Real Estate Income Fund, a real estate income fund that is traded in active market and therefore classified its estimate of the fair value of this investment as Level 1 in the fair value hierarchy, with an aggregate fair value of $0.5 million and $0.5 million , respectively. The real estate income fund is managed by an affiliate of the Sponsor (see Note 11 — Related Party Transactions). These investments are considered available-for-sale securities and therefore increases or decreases in the fair value of these investments are recorded in accumulated other comprehensive income (loss) as a component of equity on the consolidated balance sheets unless the securities are considered to be other than temporarily impaired at which time the losses would be reclassified to expense.

The following table details the unrealized gains and losses on investment securities as of June 30, 2015 and December 31, 2014 :

(In thousands)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 30, 2015	$ 521	$ —	$ (52)	$ 469
December 31, 2014	$ 514	$ —	$ (24)	$ 490

Unrealized losses as of June 30, 2015 are considered temporary and therefore no impairment was recorded during the three and six months ended June 30, 2015 and for the year ended December 31, 2014 .

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents information about the Company's assets and liabilities (including derivatives that are presented net) measured at fair value on a recurring basis as of June 30, 2015 and December 31, 2014 , aggregated by the level in the fair value hierarchy within which those instruments fall.

(In thousands)	**Quoted Prices in Active Markets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**	**Total**
June 30, 2015				
Foreign currency swaps, net (GBP & EUR)	$ —	$ 3,296	$ —	$ 3,296
Foreign currency forwards, net (GBP & EUR)	$ —	$ 2,172	$ —	$ 2,172
Interest rate swaps, net	$ —	$ (3,441)	$ —	$ (3,441)
Investment securities	$ 469	$ —	$ —	$ 469
Listing note (see Note 7)	$ —	$ —	$ (4,430)	$ (4,430)
December 31, 2014				
Foreign currency swaps, net (GBP & EUR)	$ —	$ 11,289	$ —	$ 11,289
Foreign currency forwards, net (GBP & EUR)	$ —	$ 1,884	$ —	$ 1,884
Interest rate swaps, net	$ —	$ (5,650)	$ —	$ (5,650)
Investment securities	$ 490	$ —	$ —	$ 490

A review of the fair value hierarchy classification is conducted on a quarterly basis. Changes in the type of inputs may result in a reclassification for certain assets. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the six months ended June 30, 2015 .

Level 3 Valuations

The following is a reconciliation of the beginning and ending balance for the changes in the instrument with Level 3 inputs in the fair value hierarchy for the six months ended June 30, 2015 :

(In thousands)	Listing Note
Beginning balance as of December 31, 2014	$ —
Fair value at issuance	8,670
Fair value adjustment	(4,240)
Ending balance as of June 30, 2015	$ 4,430

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

Financial Instrument	Fair Value at June 30, 2015	Principal Valuation Technique	Unobservable Inputs	Input Value
Listing Note	$ 4,430	Monte Carlo Simulation	Expected volatility	24.0%

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

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

Financial Instruments not Measured at Fair Value on a Recurring Basis

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

		Carrying Amount (1)	Fair Value	Carrying Amount (2)	Fair Value
(In thousands)	Level	June 30, 2015	June 30, 2015	December 31, 2014	December 31, 2014
Mortgage notes payable	3	$ 338,318	$ 339,125	$ 282,351	$ 280,967
Credit facility (3)	3	$ 596,115	$ 608,397	$ 659,268	$ 669,824

(1) Carrying value includes $337.4 million mortgage notes payable and $0.9 million mortgage premiums, net as of June 30, 2015 .

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

(3) As more fully described in Note 8 , certain of the credit facility advances are denominated in Euro and British Pounds. Some of these foreign currency advances as of June 30, 2015 and December 31, 2014 were designated as net investment hedges and measured at fair value through other comprehensive income as part of the cumulative translation adjustment and the remainder were marked-to-market through earnings.

The fair value of the mortgage notes payable is estimated using a discounted cash flow analysis, based on the Advisor's experience with similar types of borrowing arrangements.

Note 7 — Listing Note

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

- the sum of (i) the "market value" (as defined in the Listing Note) of all of the Company’s outstanding shares of Common Stock plus (ii) the sum of all distributions or dividends (from any source) paid by the Company to its stockholders prior to the Listing; and
- the sum of (i) the total amount raised in the Company’s IPO and its DRIP prior to the Listing ("Gross Proceeds") plus (ii) the total

amount of cash that, if distributed to those stockholders who purchased shares in the IPO and under the DRIP, would have provided those stockholders a 6.0% cumulative, non-compounded, pre-tax annual return (based on a 365 -day year) on the Gross Proceeds.

The market value used to calculate the Listing Amount will not be determinable until the end of a measurement period of 30 consecutive trading days, commencing on the 180th calendar day following the Listing, unless another liquidity event, such as a merger, occurs prior to the end of the measurement period. If another liquidity event occurs prior to the end of the measurement period, the Listing Note provides for appropriate adjustment to the calculation of the Listing Amount. The Special Limited Partner will have the right to receive distributions of Net Sales Proceeds, as defined in the Listing Note, until the Listing Note is paid in full; provided that, the Special Limited Partner has the right, but not the obligation, to convert the entire special limited partner interest into OP Units. Those OP Units would be convertible for the cash value of a corresponding number of shares of Common Stock, at the Company's option, or a corresponding number of shares of Common Stock in accordance with the terms contained in the Second Amended and Restated Limited Partnership Agreement.

Until the amount of the Listing Note can be determined, the Listing Note is considered a liability which is marked to fair value at each reporting date, with changes in the fair value recorded in the consolidated statements of operations and comprehensive income (loss). The Listing Note fair value at issuance and as of June 30, 2015 was determined using a Monte Carlo simulation, which uses a combination of observable and unobservable inputs. As of June 30, 2015 , the Listing Note had a fair value of $4.4 million . The final value of the Listing Note could differ materially from the initial or current fair value at June 30, 2015 (see Note 6 — Fair Value of Financial Instruments).

Note 8 — Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives

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

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

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. 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.

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 impacts earnings. During 2015 , such derivatives were used to hedge the variable cash flows associated with variable-rate debt. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During the three and six months ended June 30, 2015 , the Company recorded losses of $0.1 million and $0.1 million of ineffectiveness in earnings, respectively. During the three and six months ended June 30, 2014 there were no losses due to ineffectiveness.

Amounts reported in accumulated other comprehensive income (loss) related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. During the next 12 months , the Company estimates that an additional $3.5 million will be reclassified from other comprehensive income (loss) as an increase to interest expense.

As of June 30, 2015 and December 31, 2014 , the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

	June 30, 2015		December 31, 2014	
Derivatives	Number of Instruments	Notional Amount	Number of Instruments	Notional Amount
		(In thousands)		*(In thousands)*
Interest rate swaps (GBP)	24	$ 442,522	20	$ 371,225
Interest rate swaps (EUR)	10	258,296	10	282,999
	34	$ 700,818	30	$ 654,224

Net Investment Hedges

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

For derivatives designated as net investment hedges, the effective portion of changes in the fair value of the derivatives are reported in accumulated other comprehensive income (loss) (outside of earnings) as part of the cumulative translation adjustment. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. Amounts are reclassified out of accumulated other comprehensive income (loss) into earnings when the hedged net investment is either sold or substantially liquidated.

On February 4, 2015 , the Company restructured some cross currency swaps and replaced its initial US dollar equity funding in certain foreign real estate investments with foreign currency debt. Foreign currency advances of €110.5 million and £68.5 million were drawn under the Company's credit facility. The foreign currency debt creates a natural hedge against the original equity invested in the real estate investments, removing the need for the final cross currency swaps. These swaps had been designated as net investment hedges through the date of the restructure. The restructuring and settlement of the cross currency swaps resulted in a gain of approximately $19.0 million , with $10.1 million in proceeds received and $8.9 million retained by the bank as a reduction of outstanding credit facility balance. The gain will remain in the cumulative translation adjustment (CTA) until such time as the net investments are sold or substantially liquidated in accordance with ASC 830.

As of June 30, 2015 there were no outstanding cross currency swaps designated as net investment hedges. The Company had the following outstanding cross currency swaps that were used to hedge its net investments in foreign operations at December 31, 2014 :

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

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

Non-designated Hedges

The Company is exposed to fluctuations in the exchange rates of its functional currency, the US dollar ("USD"), against the Pound Sterling ("GBP") and the Euro ("EUR"). The Company uses foreign currency derivatives including currency forward and cross currency swap agreements to manage its exposure to fluctuations in GBP-USD and EUR-USD exchange rates. While these derivatives are hedging the fluctuations in foreign currencies, they do not meet the strict hedge accounting requirements to be classified as hedging instruments. Changes in the fair value of derivatives not designated as hedges under qualifying hedging relationships are recorded directly in earnings. The Company recorded marked-to-market losses of $3.7 million and gains of $0.5 million on the non-designated derivatives for the three and six months ended June 30, 2015 , respectively. For the three and six months ended June 30, 2014 the Company recorded marked-to-market losses on the non-designated derivatives of $0.2 million and $0.3 million , respectively.

As of June 30, 2015 , total outstanding advances under the credit facility were $596.1 million , including advances of £198.2 million ($311.6 million based upon an exchange rate of $1.57 to £1.00 , as of the date of advance), €238.4 million ($264.5 million based upon an exchange rate of $1.11 to €1.00 , as of the date of advance) and $20.0 million . The foreign currency advances were used to fund individual investments in the respective local currency. The USD advance was used to acquire investments and support general obligations of the Company. Through May 16, 2015 , $218.1 million of these foreign advances, comprised of $92.1 million of GBP draws (based upon an exchange rate of $1.58 to £1.00 , as of May 16, 2015) and $126.0 million of EUR draws (based upon an exchange rate of $1.14 to €1.00 , as of May 16, 2015) were not designated as net investment hedges and, accordingly, the changes in value due to currency fluctuations are reflected in earnings. As a result, the Company recorded remeasurement losses on the non-designated net investment hedges of $11.8 million and $2.9 million for the three and six months ended June 30, 2015 , respectively.

Effective May 17, 2015 , additional foreign draws were designated as net investment hedges. As of June 30, 2015 , total designated foreign draws are $514.3 million of the total outstanding foreign draws under the credit facility of $576.1 million . The Company recorded losses of $0.5 million and gains of $0.9 million from over hedging ineffectiveness on the designated hedges for the three and six months ended June 30, 2015 , respectively. As of December 31, 2014 , total outstanding advances under the credit facility were $659.3 million , including advances of £169.8 million ($263.8 million based upon an exchange rate of $1.55 to £1.00 , as of the date of advance) and €128.0 million ($155.6 million based upon an exchange rate of $1.22 to €1.00).

As of June 30, 2015 and December 31, 2014 , the Company had the following outstanding derivatives that were not designated as hedges under qualifying hedging relationships.

	June 30, 2015		December 31, 2014	
Derivatives	Number of Instruments	Notional Amount	Number of Instruments	Notional Amount
		(In thousands)		*(In thousands)*
Forwards (GBP - USD)	60	$ 10,191	80	$ 13,664
Forwards (EUR - USD)	23	9,419	31	12,699
Cross currency swaps (GBP - USD)	9	87,952	—	—
Cross currency swaps (EUR - USD)	5	101,559	—	—
Total	97	$ 209,121	111	$ 26,363

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, 2015 and December 31, 2014 :

(In thousands)	Balance Sheet Location	June 30, 2015	December 31, 2014
Derivatives designated as hedging instruments:			
Interest rate swaps (GBP)	Derivatives assets, at fair value	$ 41	$ 18
Interest rate swaps (GBP)	Derivatives liabilities, at fair value	(2,841)	(4,353)
Interest rate swaps (EUR)	Derivatives liabilities, at fair value	(641)	(1,315)
Total		$ (3,441)	$ (5,650)
Derivatives not designated as hedging instruments:			
Forwards (EUR-USD)	Derivatives assets, at fair value	$ 1,454	$ 736
Forwards (GBP-USD)	Derivatives assets, at fair value	718	1,148
Cross currency swaps (GBP)	Derivatives assets, at fair value	47	4,517
Cross currency swaps (EUR)	Derivatives assets, at fair value	3,438	7,219
Cross currency swaps (GBP)	Derivatives liabilities, at fair value	(189)	(447)
Total		$ 5,468	$ 13,173

The table below details the location in the financial statements of the gain or loss recognized on interest rate derivatives designated as cash flow hedges for the three and six months ended June 30, 2015 and 2014 .

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2015	2014	2015	2014
Amount of gain (loss) recognized in accumulated other comprehensive income from derivatives (effective portion)	$ 1,694	$ (2,607)	$ 13,209	(5,819)
Amount of loss reclassified from accumulated other comprehensive income into income as interest expense (effective portion)	$ (906)	$ (396)	$ (1,727)	(602)
Amount of loss recognized in income on derivative instruments (ineffective portion, reclassifications of missed forecasted transactions and amounts excluded from effectiveness testing)	$ (62)	$ —	$ (65)	—

Tabular Disclosure Offsetting Derivatives

The table below presents a gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of June 30, 2015 and December 31, 2014 . The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the accompanying consolidated balance sheets.

					Gross Amounts Not Offset on the Balance Sheet		
Derivatives *(In thousands)*	Gross Amounts of Recognized Assets	Gross Amounts of Recognized (Liabilities)	Gross Amounts Offset on the Balance Sheet	Net Amounts of Assets (Liabilities) presented on the Balance Sheet	Financial Instruments	Cash Collateral Received (Posted)	Net Amount
June 30, 2015	$ 5,698	$ (3,671)	$ —	$ 2,027	$ —	$ —	$ 2,027
December 31, 2014	$ 13,638	$ (6,115)	$ —	$ 7,523	$ —	$ —	$ 7,523

Credit-risk-related Contingent Features

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

As of June 30, 2015 , the fair value of derivatives in a net liability position including accrued interest but excluding any adjustment for nonperformance risk related to these agreements was $4.5 million . As of June 30, 2015 , 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, it could have been required to settle its obligations under the agreements at their aggregate termination value.

Note 9 — Common Stock

The Company listed its Common Stock on the NYSE under the symbol "GNL" on June 2, 2015 . On the same day, the Company commenced the Tender Offer which expired on June 29, 2015 . On July 6, 2015 , the Company accepted and funded approximately 11.9 million shares of its Common Stock under the terms of the Tender Offer at a price of $10.50 per share, for an aggregate amount of $125.0 million , excluding fees and expenses related to the Tender Offer and including fractional shares repurchased thereafter. The Company funded the Tender Offer using cash on hand and funds available under its existing credit facility.

As of June 30, 2015 and December 31, 2014 , the Company had 168,947,744 (after consideration of the Tender Offer repurchase)and 177,933,175 shares of Common Stock outstanding, including unvested restricted shares and shares issued under the dividend reinvestment plan (the "DRIP"), but not including the OP Units issued to limited partners other than the Company or long-term incentive units issued in accordance with the OPP which are currently, or may be in the future, convertible into shares of Common Stock.

Monthly Dividends and Change to Payment Dates

Historically, the Company has calculated its monthly dividend based upon daily record and dividend declaration dates so that its stockholders would be entitled to be paid dividends beginning with the month in which their shares were purchased. Following the Listing, the Company pays dividends on the 15th day of each month at a rate of $0.059166667 per share to stockholders of record as of close of business on the 8th day of such month.

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

Share Repurchase Program

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

The following table reflects the cumulative number of common shares repurchased as of December 31, 2014 and as of and for the six months ended June 30, 2015 :

	Number of Shares Repurchased	Average Price per Share
Cumulative repurchases as of December 31, 2014	99,969	$ 9.91
Six months ended June 30, 2015	124,012	9.74
Cumulative repurchases as of June 30, 2015	223,981	$ 9.83

Note 10 — Commitments and Contingencies

Litigation and Regulatory Matters

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

Environmental Matters

In connection with the ownership and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. As of June 30, 2015 , the Company had not been notified by any governmental authority of any non-compliance, liability or other claim, and is not aware of any other environmental condition that it believes will have a material adverse effect on the results of operations.

Note 11 — Related Party Transactions

As of June 30, 2015 and December 31, 2014 , the Sponsor, the Special Limited Partner and a subsidiary of the Service Provider owned, in the aggregate, 244,444 shares of the Company's outstanding Common Stock. The Advisor, the Service Provider, and their affiliates may incur costs and fees on behalf of the Company. As of June 30, 2015 and December 31, 2014 , the Company had $0.2 million and $0.5 million of receivable from affiliated entities and $2.0 million and $0.4 million of payable to their affiliates, respectively.

The Company is the sole general partner of the OP and holds the majority of OP Units. The Special Limited Partner, a limited partner, held 22 OP Units as of June 30, 2015 , which represented a nominal percentage of the aggregate OP ownership.

On June 2, 2015 , the Advisor exchanged 1,726,323 previously-issued Class B units for 1,726,323 OP Units pursuant to the OP Agreement. These OP Units are exchangeable for shares of Common Stock of the Company on a one-for-one basis, or the cash value of shares of Common Stock (at the option of the Company), 12 months from the Listing Date subject to the terms of the limited partnership agreement of the OP. The Advisor and the OP also entered into a Contribution and Exchange Agreement pursuant to which the Advisor contributed $0.8 million in cash to the OP in exchange for 83,333 OP Units. As of June 30, 2015 , the Advisor held a total of 1,809,656 OP Units. OP Unit distributions of $0.3 million and $0.4 million were paid to the Advisor which relate to the converted Class B units during the three and six months ended June 30, 2015 , respectively. OP Unit distributions of $21,000 and $27,000 were paid to the Advisor during the three and six months ended June 30, 2014 , respectively.

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

During the six months ended June 30, 2015 , the Company invested $0.5 million in a real estate income fund managed by an affiliate of the Sponsor (see Note 6 — Fair Value of Financial Instruments). There is no obligation to purchase any additional shares and the shares can be sold at any time.

Fees Paid in Connection with the IPO

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

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

	Three Months Ended June 30,		Six Months Ended June 30,		Payable as of	
					June 30,	December 31,
(In thousands)	2015	2014	2015	2014	2015	2014
Total commissions and fees to Legacy Dealer Manager	$ —	$ 97,303	$ (8)	$ 146,556	$ —	$ 13

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

	Three Months Ended June 30,		Six Months Ended June 30,		Payable as of	
					June 30,	December 31,
(In thousands)	2015	2014	2015	2014	2015	2014
Fees and expense reimbursements to the Advisor and Legacy Dealer Manager	$ 40	$ 3,672	$ —	$ 11,746	$ —	$ 61

The Company was responsible for paying offering and related costs from the IPO, excluding commissions and dealer manager fees, up to a maximum of 1.5% of gross proceeds received from its ongoing offering of Common Stock, measured at the end of the offering. Offering costs in excess of the 1.5% cap as of the end of the offering are the Advisor's responsibility. During the six months ended June 30, 2015 , the Advisor reimbursed the Company $0.5 million of offering costs. Offering and related costs, excluding commissions and dealer manager fees, did not exceed 1.5% of gross proceeds received from the IPO.

After the escrow break, the Advisor elected to cap cumulative offering costs incurred by the Company, net of unpaid amounts, to 11.5% of gross Common Stock proceeds during the offering period. As of June 30, 2015 , cumulative offering costs were $188.1 million . As of June 30, 2015 , cumulative offering costs net of unpaid amounts did not exceed 11.5% .

Fees Paid in Connection With the Operations of the Company

Until April 1, 2015, the Advisor was paid an acquisition fee of 1.0% of the contract purchase price of each acquired property and 1.0% of the amount advanced for a loan or other investment. Solely with respect to investment activities in Europe, the Service Provider was paid 50% of the acquisition fees and the Advisor was paid the remaining 50% , as set forth in the service provider agreement. The Advisor was also reimbursed for insourced expenses incurred in the process of acquiring properties, which were fixed initially at 0.5% of the contract purchase price and 0.5% of the amount advanced for a loan or other investment. Additionally, the Company paid third party acquisition expenses.

The Company's Advisor provides services in connection with the origination or refinancing of any debt that the Company obtained and used to acquire properties or to make other permitted investments, or that was assumed, directly or indirectly, in connection with the acquisition of properties. Until April 1, 2015, the Company paid the Advisor a financing coordination fee equal to 0.75% of the amount available and/or outstanding under such financing, subject to certain limitations. Solely with respect to the Company's investment activities in Europe, the Service Provider was paid 50% of the financing coordination fees and the Advisor received the remaining 50% , as set forth in the service provider agreement. Such fees were deducted from fees payable to the Advisor, pursuant to the service provider agreement.

Until the Listing, the Company paid the Advisor an asset management fee equal to 0.75% per annum of the total of: the cost of the Company's assets (cost includes the purchase price, acquisition expenses, capital expenditures and other customarily capitalized costs, but excluding acquisition fees) plus costs and expenses incurred by the Advisor in providing asset management services, less the excess, if any, of dividends over FFO plus acquisition fees expenses and restricted share grant amortization. Until April 1, 2015, as payment for this arrangement, the Company caused the OP to issue (subject to periodic approval by the board of directors) to the Advisor performance-based restricted partnership units of the OP designated as "Class B units," which were intended to be profits interests and would vest, and no longer be subject to forfeiture, at such time as: (x) the value of the OP's assets plus all dividends made equaled or exceeded the total amount of capital contributed by investors plus a 6.0% cumulative, pre-tax, non-compounded annual return thereon (the "economic hurdle"); (y) any one of the following had occurred: (1) the termination of the advisory agreement by an affirmative vote of a majority of the Company's independent directors without cause; (2) a listing; or (3) another liquidity event; and (z) the Advisor is still providing advisory services to the Company (the "performance condition"). The value of issued Class B units was determined and expensed when the Company deemed the achievement of the performance condition was probable, which occurred as of the Listing. As of June 2, 2015 , in aggregate, the board of directors had approved the issuance of 1,726,323 Class B units to the Advisor in connection with this arrangement. The Advisor received dividends on unvested Class B units equal to the dividend rate received on the Company's Common Stock. Such dividends on issued Class B units in the amounts of $0.3 million and $0.4 million were included in general and administrative expenses in the consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2015 , respectively. The Company has recorded dividends on issued Class B units in the amounts of $21,000 and $27,000 for the three and six months ended June 30, 2014 , respectively.

The performance condition related to these Class B units was satisfied upon completion of the Listing, and the units vested resulting in $14.5 million of expense on June 2, 2015 . Concurrently, the Class B units were converted to OP Units on a one-to-one basis. The vested value was calculated based, in part, on the closing price of Company's Common Stock on June 2, 2015 less an estimated discount for the one year lock-out period of transferability or liquidity of the OP Units. From April 1, 2015 to the Listing Date, the asset management fees were paid in cash to the Advisor.

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

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

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

(iii) an incentive fee (“Incentive Compensation”), 50% payable in cash and 50% payable in shares of the Company’s Common Stock (which shares are subject to certain lock up restrictions), equal to: (a) 15% of the Company’s Core AFFO (as defined in the Amended Advisory Agreement) per weighted average share outstanding for the applicable period (“Core AFFO Per Share”)(1) in excess of an incentive hurdle based on an annualized Core AFFO Per Share of $0.73 , plus (b) 10% of the Core AFFO Per Share in excess of an incentive hurdle of an annualized Core AFFO Per Share of $0.95 . The $0.73 and $0.95 incentive hurdles are subject to annual increases of 1% to 3% . The Base Management Fee and the Incentive Compensation are each subject to an annual adjustment.

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

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

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

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

In connection with providing strategic advisory services related to certain portfolio acquisitions, the Company has entered into arrangements in which the investment banking division of the Legacy Dealer Manager is paid a transaction fee of 0.25% of

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

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

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

Solely with respect to the Company's investments in properties located in Europe, the Service Provider receives a portion of the fees payable to the Advisor equal to: (i) with respect to single-tenant net leased properties which are not part of a shopping center, 1.75% of the gross revenues from such properties and (ii) with respect to all other types of properties, 3.5% of the gross revenues from such properties. The Property Manager is paid 0.25% of the gross revenues from European single-tenant net leased properties which are not part of a shopping center and 0.5% of the gross revenues from all other types of properties, reflecting a split of the oversight fee with the Service Provider.

The following table reflects related party fees incurred, forgiven and contractually due as of and for the periods presented:

	Three Months Ended June 30,				Six Months Ended June 30,				Payable as of	
	2015		2014		2015		2014			
(In thousands)	Incurred	Forgiven	Incurred	Forgiven	Incurred	Forgiven	Incurred	Forgiven	June 30, 2015	December 31, 2014
One-time fees and reimbursements:										
Acquisition fees and related cost reimbursements	$ 128	$ —	$ 4,224	$ —	$ 708	$ —	$ 9,155	$ —	$ —	$ 2
Financing coordination fees	498	—	1,703	—	498	—	2,847	—	—	—
Ongoing fees:										
Asset management fees [(1)(2)]	4,501	—	—	—	4,501	—	—	—	—	—
Property management and leasing fees	1,009	612	124	118	2,013	1,205	187	203	82	52
Strategic advisory fees	—	—	108	—	—	—	215	—	—	—
Dividends on Class B units	309	—	21	—	433	—	27	—	310	—
Vesting of Class B units [(1)]	14,480	—	—	—	14,480	—	—	—	—	—
Total related party operational fees and reimbursements	$ 20,925	$ 612	$ 6,180	$ 118	$ 22,633	$ 1,205	$ 12,431	$ 203	$ 392	$ 54

(1) From January 1, 2013 to April 1, 2015 , the Company paid asset management fees to the Advisor in the form of restricted performance based Class B units, which would vest if certain conditions occur. From April 1, 2015 until the Listing Date, the Company paid the Advisor asset management fees in cash (as elected by the Advisor). From Listing Date, the Advisor received asset management fees in cash in accordance with the Amended and Restated Advisory Agreement. At Listing Date, all Class B units held by the Advisor converted to OP Units.

(2) For the three months ended June 30, 2015, the asset management fees noted above is inclusive of $0.8 million of Listing related fees.

The Company reimburses the Advisor's costs of providing administrative services, subject to the limitation that the Company will not reimburse the Advisor for any amount by which the Company's operating expenses (including the asset management fee) at the end of the four preceding fiscal quarters exceeds the greater of (a) 2.0% of average invested assets and (b) 25.0% of net income other than any additions to reserves for depreciation, bad debt or other similar non-cash reserves and excluding any gain from the sale of assets for that period. Additionally, the Company reimburses the Advisor for personnel costs in connection with other services, in addition to paying an asset management fee; however, the Company does not reimburse the Advisor for personnel costs in connection with services for which the Advisor receives acquisition fees or real estate commissions. No reimbursement was incurred from the Advisor for providing services during the three and six months ended June 30, 2015 and 2014 .

In order to improve operating cash flows and the ability to pay dividends from operating cash flows, the Advisor may waive certain fees including asset management and property management fees. Because the Advisor may waive certain fees, cash flow from operations that would have been paid to the Advisor may be available to pay dividends to stockholders. The fees that may be forgiven are not deferrals and accordingly, will not be paid to the Advisor. In certain instances, to improve the Company's working capital, the Advisor may elect to absorb a portion of the Company's general and administrative costs or property operating expenses. These absorbed costs are presented net in the accompanying consolidated statements of operations and comprehensive loss. During the three and six months ended June 30, 2015 and 2014 , there were no property operating and general administrative expenses absorbed by our Advisor.

For the six months ended June 30, 2015 , the Company has incurred approximately $0.6 million of recurring transfer agent services fees to American National Stock Transfer, LLC ("ANST"), an affiliate of Realty Capital Securities, LLC, which were included in general and administrative expenses in the consolidated statements of operations and comprehensive income (loss).

Fees Paid in Connection with the Liquidation or Listing of the Company's Real Estate Assets

On December 31, 2014, the Company entered into an agreement with RCS Capital, the investment banking and capital markets division of the Legacy Dealer Manager, for strategic and financial advice and assistance in connection with (i) a possible sale transaction involving the Company (ii) the possible listing of the Company's securities on a national securities exchange, and (iii) a possible acquisition transaction involving the Company. The Company also retained Barclays Capital Inc. as a strategic advisor. Both RCS Capital and Barclays Capital Inc., were each entitled to receive a transaction fee equal to 0.23% of the transaction value in connection with a possible sale transaction, listing or acquisition, if any. In connection with Listing, the Company incurred approximately $18.5 million of listing related fees during the three and six months ended June 30, 2015 of which $6.0 million was paid to RCS Capital and $6.1 million to Barclays Capital Inc., including out of pocket expense in connection with these agreements. In addition, the Company incurred and paid to RCS Capital $2.5 million for personnel and support services in connection with the Listing. The Company also incurred $0.5 million of transfer agent fees to ANST in relation to the Listing. In connection with the Listing and the Amended Advisory Agreement, the Company terminated the subordinated termination fee that would be due to the Advisor in the event of termination of the advisory agreement. All costs noted above were included in listing fees in the consolidated statements of operations and comprehensive income (loss) under listing fees for the three and six months ended June 30, 2015 .

Note 12 — Economic Dependency

Under various agreements, the Company has engaged or will engage the Advisor, its affiliates and entities under common control with the Advisor, and the Service Provider, to provide certain services that are essential to the Company, including asset management services, supervision of the management and leasing of properties owned by the Company, asset acquisition and disposition decisions, the sale of shares of the Company's Common Stock available for issue, transfer agency services, as well as other administrative responsibilities for the Company including accounting services and investor relations.

As a result of these relationships, the Company is dependent upon the Advisor and its affiliates and the Service Provider. In the event that these companies are unable to provide the Company with the respective services, the Company will be required to find alternative providers of these services.

Note 13 — Share-Based Compensation

Stock Option Plan

The Company has a stock option plan (the "Plan") which authorizes the grant of nonqualified stock options to the Company's independent directors, officers, advisors, consultants and other personnel, subject to the absolute discretion of the board of directors and the applicable limitations of the Plan. The exercise price for all stock options granted under the Plan will be equal to the fair market value of a share on the last business day preceding the annual meeting of stockholders. A total of 0.5 million shares have been authorized and reserved for issuance under the Plan. As of June 30, 2015 and December 31, 2014 , no stock options were issued under the Plan.

Restricted Share Plan

The Company's employee and director incentive restricted share plan ("RSP") provides the Company with the ability to grant awards of restricted shares to the Company's directors, officers and employees (if the Company ever has employees), employees of the Advisor and its affiliates, employees of entities that provide services to the Company, directors of the Advisor or of entities that provide services to the Company, certain consultants to the Company and the Advisor and its affiliates or to entities that provide services to the Company.

Prior to April 8, 2015 , the RSP provided for the automatic grant of 3,000 restricted shares of Common Stock to each of the independent directors, without any further action by the Company's board of directors or the stockholders, on the date of initial election to the board of directors and on the date of each annual stockholder's meeting. Restricted stock issued to independent directors vested over a five -year period beginning on the first anniversary of the date of grant in increments of 20% per annum. On April 8, 2015 , the Company amended the RSP ("the Amended RSP"), among other things, to remove the fixed amount of shares that are automatically granted to the independent directors and remove the fixed vesting period of five years . Under the Amended RSP, the annual amount granted to the independent directors is determined by the board of directors.

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

Prior to April 8, 2015 , the total number of shares of Common Stock granted under the RSP could not exceed 5.0% of the Company's outstanding shares on a fully diluted basis at any time, and in any event could not exceed 7.5 million shares (as such number may be adjusted for stock splits, stock dividends, combinations and similar events). The Amended RSP increased the number of shares the Company's Common Stock, par value $0.01 per share, available for awards thereunder to 10% of the Company's outstanding shares of Common Stock on a fully diluted basis at any time. The Amended RSP also eliminated the limit of 7.5 million shares of Common Stock permitted to be issued as RSPs.

Restricted shares may not, in general, be sold or otherwise transferred until restrictions are removed and the shares have vested. Holders of restricted shares may receive cash dividends prior to the time that the restrictions on the restricted shares have lapsed. Any dividends payable in common shares shall be subject to the same restrictions as the underlying restricted shares.

The following table reflects restricted share award activity for the six months ended June 30, 2015 :

	Number of Restricted Shares	Weighted-Average Issue Price
Unvested, December 31, 2014	14,400	$ 9.00
Granted	3,000	9.00
Vested	(17,400)	9.00
Unvested, June 30, 2015	—	$ 9.00

The fair value of the restricted shares granted prior to the Listing Date is based on the per share price in the IPO and the fair value of the restricted shares granted on or after the Listing Date is based on the market price of Common Stock as of the date, and is expensed over the vesting period. Compensation expense related to restricted stock was approximately $138,000 and $17,000 during the six months ended June 30, 2015 and 2014 , respectively, and is recorded as general and administrative expense in the accompanying statements of operations.

As of June 30, 2015 , the Company had no unrecognized compensation costs related to unvested restricted share awards granted under the Company's Amended RSP.

Multi-Year Outperformance Agreement

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

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

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

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

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

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

The Company records equity based compensation expense associated with the awards over the requisite service period of five years on a graded vesting basis. Equity-based compensation expense is adjusted each reporting period for changes in the estimated market-related performance. Compensation expense related to the OPP was $0.5 million for the three and six months ended June 30, 2015 .

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

The following table presents information about the Company's OPP, which is measured at fair value on a recurring basis as of June 30, 2015 , aggregated by the level in the fair value hierarchy within which the instrument falls:

(In thousands)	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
OPP at June 30, 2015	$ —	$ —	$ (25,600)	$ (25,600)

Level 3 Valuations

The following is a reconciliation of the beginning and ending balance for the changes in instruments with Level 3 inputs in the fair value hierarchy for the six months ended June 30, 2015 :

(In thousands)	OPP
Beginning balance as of December 31, 2014	$ —
Fair value at issuance	27,500
Fair value adjustment	(1,900)
Ending balance as of June 30, 2015	$ 25,600

The following table provides quantitative information about significant Level 3 inputs used:

Financial Instrument	Fair Value at June 30, 2015	Principal Valuation Technique	Unobservable Inputs	Input Value
	(In thousands)			
OPP	$ 25,600	Monte Carlo Simulation	Expected volatility	27.0%

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

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

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

Other Share-Based Compensation

The Company may issue Common Stock in lieu of cash to pay fees earned by the Company's directors at each director's election. There are no restrictions on the shares issued since these payments in lieu of cash relate to fees earned for services performed. There were no such shares of Common Stock issued in lieu of cash during the six months ended June 30, 2015 . There were 1,056 shares of Common Stock issued in lieu of cash during the six months ended June 30, 2014 which resulted in additional share based compensation of $10,000 .

Note 14 — Net Loss Per Share

The following is a summary of the basic and diluted net income (loss) per share computation for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except share and per share data)	2015	2014	2015	2014
Net loss attributable to stockholders	$ (45,664)	$ (7,479)	$ (19,809)	$ (23,828)
Basic and diluted weighted average shares outstanding	180,380,436	111,819,848	179,771,830	74,916,338
Basic and diluted net loss per share attributable to stockholders	$ (0.25)	$ (0.07)	$ (0.11)	$ (0.32)

Diluted net income (loss) per share assumes the conversion of all Common Stocks share equivalents into an equivalent number of common shares, unless the effect is anti-dilutive. The Company considers unvested restricted stock, OP Units (excluding converted Class B units) and LTIP Units to be common share equivalents. For the six months ended June 30, 2015 and 2014 , the unvested restricted stock, OP and LTIP Units were excluded from the calculation of diluted loss per share as the effect would have been anti-dilutive.

	Six Months Ended June 30,	
	2015	2014
Unvested restricted stock	—	21,600
OP Units	1,809,678	22
Class B units	—	170,159
Listing Note (OP Units)	—	—
OPP (LTIP Units)	—	—
Total anti-dilutive common share equivalents	1,809,678	191,781

Conditionally issuable shares relating to the Listing Note (See Note 7 — Listing Note) and the OPP award (See Note 13 — Share Based Compensation) would be included in the computation of fully diluted EPS (if dilutive) based on shares that would be issued if the balance sheet date were the end of the measurement period. No shares were included in the computation for the three or six months ended June 30, 2015 because they were anti-dilutive and no units or shares would have been issued based on the stock price at June 30, 2015 .

Note 15 — Subsequent Events

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

Tender Offer

I n accordance with the terms and conditions of the Tender Offer, the Company accepted and repurchased approximately 11.9 million shares of the Company's Common Stock at a purchase price of $10.50 per share, for an aggregate amount of $125.0 million , excluding fees and expenses relating to the Tender Offer and including fractional shares repurchased thereafter. On July 6, 2015 , the Company funded the Tender Offer using $20.0 million cash on hand and $105.0 million funds available under its existing credit facility. The Company accrued for the $125.0 million obligation under its Tender Offer as of June 30, 2015 .

Acquisitions

The following table presents certain information about the properties that the Company acquired subsequent to June 30, 2015 :

	Number of Properties	Rentable Square Feet	Base Purchase Price [1]
			(In thousands)
Total portfolio, June 30, 2015	311	16,478,869	$ 2,425,738
Acquisitions	4	306,266	16,466
Total portfolio, August 10, 2015	315	16,785,135	$ 2,442,204

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

Refinancings

On July 31, 2015 , the Company mortgaged five UK properties and received net proceeds of $26.9 million (£17.4 million based upon an exchange rate of $1.55 to £1.00 , as of the date of refinance).

Sponsor Transaction

On August 6, 2015 , AR Capital, LLC (“ARC”), the parent of the Company’s Sponsor, entered into a Transaction Agreement (the “Transaction Agreement”) with AMH Holdings (Cayman), L.P., a Cayman Islands exempted limited partnership (“AMH”), and an affiliate of Apollo Global Management, LLC (NYSE: APO) (together with its consolidated subsidiaries, “Apollo”), and a newly formed entity, AR Global Investments, LLC, a Delaware limited liability company (“AR Global”). The Transaction Agreement provides that ARC will transfer to AR Global substantially all of the assets of its ongoing asset management business (including equity interests in its subsidiaries). AMH will contribute money and other assets to AR Global. Following the consummation of the transactions (the “Transactions”) contemplated by the Transaction Agreement, AMH will hold a 60% interest in AR Global and ARC will hold a 40% interest in AR Global. The business and affairs of AR Global will be overseen by a board of managers comprised of ten members, six of which will be appointed by AMH and four of which will be appointed by ARC. The Company’s Advisor, Property Manager and Sponsor are currently owned indirectly by ARC and following the Transactions will be owned indirectly by AR Global.

Also on August 6, 2015 , RCS Capital Corporation (“RCS Capital”), the parent of the Company’s Legacy Dealer Manager and a company under common control with ARC, announced that it has entered into an agreement with an affiliate of Apollo to sell RCS Capital’s Wholesale Distribution division, including the Company’s Legacy Dealer Manager, and certain related entities. Upon completion of the transaction, the Company’s Legacy Dealer Manager will continue to operate as a stand-alone entity within AR Global. The current management team of the Company’s Legacy Dealer Manager, which is led by William E. Dwyer III, will continue to operate the day-to-day functions of the business.

The various transactions with Apollo are subject to customary closing conditions and are expected to close in 2015. Upon consummation of the various Apollo transactions, the Company's Advisor, Property Manager and Sponsor are expected to continue to serve in their respective capacities to the Company. The Company’s independent directors unanimously endorsed the Transactions.

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 consolidated financial statements of Global Net Lease, Inc. and the notes thereto. As used herein, the terms "Company," "we," "our" and "us" refer to Global Net Lease, Inc., a Maryland corporation, including, as required by context, to Global Net Lease Operating Partnership, L.P., a Delaware limited partnership, which we refer to as the "OP," and to its subsidiaries. The Company is externally managed by Global Net Lease Advisors, LLC (our "Advisor"), a Delaware limited liability company.

Forward-Looking Statements

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

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

- All of our executive officers are also officers of our Advisor and other American Realty Capital-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 investment programs advised by American Realty Capital affiliates and conflicts in allocating time among these investment programs and us. These conflicts could result in unanticipated actions.
- Because investment opportunities that are suitable for us may also be suitable for other American Realty Capital- advised investment programs, our Advisor and its affiliates face conflicts of interest relating to the purchase of properties and other investments and such conflicts may not be resolved in our favor, meaning that we could invest in less attractive assets, which could reduce the investment return to our stockholders.
- We may be unable to pay or maintain cash dividends or increase dividends over time.
- We are obligated to pay fees which may be substantial to our Advisor and its affiliates.
- We depend on tenants for our rental revenue and, accordingly, our rental revenue is dependent upon the success and economic viability of our tenants.
- Increases in interest rates could increase the amount of our debt payments and limit our ability to pay dividends to our stockholders.
- We may not generate cash flows sufficient to pay dividends to our stockholders, as such, we may be forced to borrow at unfavorable rates or depend on our Advisor to waive reimbursement of certain expense and fees to fund our operations. There is no assurance that our Advisor will waive reimbursement of expenses or fees.
- Any of these dividends may reduce the amount of capital we ultimately invest in properties and other permitted investments and negatively impact the value of our common stock.
- We have not generated cash flows sufficient to pay our dividends to stockholders, as such we may be forced to borrow at unattractive rates or depend on our Advisor to waive reimbursement of certain expenses and fees to fund our operations. There is no assurance that our Advisor will waive reimbursement of expenses or fees.
- We are subject to risks associated with our international investments, including risks associated with compliance with and changes in foreign laws, fluctuations in foreign currency exchange rates and inflation.
- We are subject to risks associated with any dislocations or liquidity disruptions that may exist or occur in the credit markets of the United States of America and Europe from time to time.
- We may fail to qualify, or continue to qualify, to be treated as a real estate investment trust ("REIT") for U.S. federal income tax purposes, which would result in higher taxes, may adversely affect operations and would reduce our NAV and cash available for dividends.
- We may be deemed to be an investment company under the Investment Company Act of 1940, as amended ("the Investment Company Act"), and thus subject to regulation under the Investment Company Act.
- We may be exposed to risks due to a lack of tenant diversity, investment types and geographic diversity.

- We may be exposed to changes in general economic, business and political conditions, including the possibility of intensified international hostilities, acts of terrorism, and changes in conditions of United States or international lending, capital and financing markets.

Overview

We were incorporated on July 13, 2011 as a Maryland corporation that elected and qualified to be taxed as a real estate investment trust (a "REIT") for U.S. federal income tax purposes beginning with our taxable year ended December 31, 2013.

On April 20, 2012, we commenced our initial public offering ("IPO" or "offering") on a "reasonable best efforts" basis of up to 150.0 million shares of common stock, $0.01 par value per share ("Common Stock"), at a price of $10.00 per share, subject to certain volume and other discounts. We completed our IPO on June 30, 2014 . On June 2, 2015 , in anticipation of the listing of our shares of Common Stock on the New York Stock Exchange (the "NYSE"), we announced the suspension of the DRIP. On May 7, 2015, we filed a post-effective amendment to the Registration Statement to deregister the unsold shares registered under the Registration Statement.

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

We were formed to primarily acquire a diversified portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant net-leased commercial properties. We may also originate or acquire first mortgage loans secured by real estate. Our primary geographic target is the United States, although up to 40% of our portfolio may consist of properties located in Europe with a potential additional 10% allocation of properties located elsewhere internationally. We purchased our first property and commenced active operations in October 2012. As of June 30, 2015 , we owned 311 properties consisting of 16.5 million rentable square feet, which were 100% leased, with a weighted average remaining lease term of 11.4 years. Based on original purchase price, 61.7% of our properties are located in the U.S. and 38.3% in Europe.

Substantially all of the Company's business is conducted through Global Net Lease Operating Partnership, L.P. (the "OP"), a Delaware limited partnership. As of June 30, 2015 , Global Net Lease Advisors, LLC (the "Advisor") held 1,809,656 units of limited partnership interests in the OP ("OP Units") and Global Net Lease Special Limited Partner, LLC (the "Special Limited Partner") held 22 OP Units. In accordance with the limited partnership agreement of the OP, a holder of OP Units has the right to convert OP Units for a corresponding number of shares of the Company's Common Stock, at the Company's option, or the cash value of those corresponding shares. The remaining rights of the limited partner interests are limited and do not include the ability to replace the general partner or to approve the sale, purchase or refinancing of the OP's assets.

We have no direct employees. Our Advisor has been retained to manage the Company's affairs on a day-to-day basis. The properties are managed and leased by Global Net Lease Properties, LLC (the "Property Manager"). The Advisor, Property Manager, Special Limited Partner and Legacy Dealer Manager are under common control with the parent of the Sponsor, as a result of which they are related parties, and have received compensation, fees and expense reimbursements for services related to the IPO and for the investment and management of the Company's assets. The Advisor has entered into a service provider agreement with Moor Park Capital Partners LLP (the "Service Provider"). The Service Provider is not affiliated with the Company, the Advisor or the Sponsor. Pursuant to the service provider agreement, the Service Provider provides, subject to the Advisor's oversight, certain real estate related services, as well as sourcing and structuring of investment opportunities, performance of due diligence, and arranging debt financing and equity investment syndicates, solely with respect to investments in Europe. Pursuant to the service provider agreement, 50.0% of the fees payable by the Company to the Advisor and a percentage of the fees paid to the Property Manager are paid or assigned to the Service Provider, solely with respect to the Company's foreign investments in Europe. Such fees are deducted from fees paid to the Advisor.

Significant Accounting Estimates and Critical Accounting Policies

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

Revenue Recognition

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

As of June 30, 2015 and December 31, 2014 , the Company included cumulative straight line rents receivable in Prepaid expenses and other assets in the balance sheet of $16.7 million and $8.7 million , respectively. For the three and six months ended June 30, 2015 , the Company's rental revenue included impacts of unbilled rental revenue of $3.5 million and $7.6 million respectively, to adjust contractual rent to straight line rent.

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

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

Investments in Real Estate

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

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

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

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

The Company is required to present the operations related to properties that have been sold or properties that are intended to be sold as discontinued operations in the statement of operations for all periods presented. Properties that are intended to be sold are to be designated as "held for sale" on the consolidated balance sheet.

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

Impairment of Long Lived Assets

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

Purchase Price Allocation

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

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

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

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

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

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

Derivative Instruments

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

The Company records all derivatives on the 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 risks, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

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

Listing Note

Concurrent with the Listing, we, as the general partner of the OP, caused the OP, subject to the terms of the Second Amended and Restated Agreement of Limited Partnership, to evidence the OP's obligation to distribute certain amounts to the Special Limited Partner through the issuance of the Listing Note. The amount of the Listing Note is determined, in part, based on the average market value of the Company's outstanding shares of Common Stock for the period of 30 consecutive trading days, commencing on the 180th calendar day following the Listing. Until the principal amount of the Listing Note is determined, the Listing Note is treated as a liability and the Company estimates the contingent consideration using a valuation model and records the fair value of the Listing Note on the consolidated balance sheets. The initial fair value and subsequent changes in fair value are recorded in the consolidated statements of operations and comprehensive income (loss).

Multi-Year Outperformance Agreement

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

Tender Offer

The Company recorded the excess of the cost of the tendered shares over its par value to additional paid-in capital.

Recently Issued Accounting Pronouncements (Pending Adoption)

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

In February 2015, the FASB issued ASU 2015-02 Consolidation (Topic 810) - Amendments to the Consolidation Analysis. The new guidance applies to entities in all industries and provides a new scope exception to registered money market funds and similar unregistered money market funds. It makes targeted amendments to the current consolidation guidance and ends the deferral granted to investment companies from applying the variable interest entity (VIE) guidance. The standard does not add or remove any of the characteristics that determine if an entity is a VIE. However, when decision-making over the entity's most significant activities has been outsourced, the standard changes how a reporting entity assesses if the equity holders at risk lack decision making rights. Previously, the reporting entity would be required to determine if there is a single equity holder that is able to remove the outsourced decision maker that has a variable interest. The new standard requires that the reporting entity first consider the rights of all of the equity holders at risk. If the equity holders have certain rights that are deemed to give them the power to direct the entity's most significant activities, then the entity does not have this VIE characteristic. The new standard also introduces a separate analysis specific to limited partnerships and similar entities for assessing if the equity holders at risk lack decision making rights. Limited partnerships and similar entities will be VIEs unless the limited partners hold substantive kick-out rights or participating rights. In order for such rights to be substantive, they must be exercisable by a simple majority vote (or less) of all of the partners (exclusive of the general partner and its related parties). A right to liquidate an entity is viewed as akin to a kick-out right. The guidance for limited partnerships under the voting model has been eliminated in conjunction with the introduction of this separate analysis, including the rebuttable presumption that a general partner unilaterally controls a limited partnership and should therefore consolidate it. A limited partner with a controlling financial interest obtained through substantive kick out rights would consolidate a limited partnership. The standard eliminates certain of the criteria that must be met for an outsourced decision maker or service provider's fee arrangement to not be a variable interest. Under current guidance, a reporting entity first assesses whether it meets power and economics tests based solely on its own variable interests in the entity to determine if it is the primary beneficiary required to consolidate the VIE. Under the new standard, a reporting entity that meets the power test will also include indirect interests held through related parties on a proportionate basis to determine whether it meets the economics test and is the primary beneficiary on a standalone basis. The standard is effective for annual periods beginning after December 15, 2015. Early adoption is allowed, including in any interim period. The Company is currently evaluating the impact of the new guidance on the consolidated financial statements.

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

Properties

We acquire and operate a diversified portfolio of commercial properties, with an emphasis on sale-leaseback transactions involving single tenant net leases. All such properties may be acquired and operated by us alone or jointly with another party. Our portfolio of real estate properties was comprised of the following properties as of June 30, 2015 :

Portfolio	Acquisition Date	Country	Number of Properties	Square Feet	Remaining Lease Term [(1)]
McDonald's	Oct. 2012	UK	1	9,094	8.7
Wickes Building Supplies I	May 2013	UK	1	29,679	9.3
Everything Everywhere	Jun. 2013	UK	1	64,832	12.0
Thames Water	Jul. 2013	UK	1	78,650	7.2
Wickes Building Supplies II	Jul. 2013	UK	1	28,758	11.5
PPD Global Labs	Aug. 2013	US	1	76,820	9.4
Northern Rock	Sep. 2013	UK	2	86,290	8.2
Kulicke & Soffa	Sep. 2013	US	1	88,000	8.3
Wickes Building Supplies III	Nov. 2013	UK	1	28,465	13.4
Con-way Freight	Nov. 2013	US	7	105,090	8.4
Wolverine	Dec. 2013	US	1	468,635	7.6
Western Digital	Dec. 2013	US	1	286,330	5.4
Encanto	Dec. 2013	Puerto Rico	18	65,262	10.0
Rheinmetall	Jan. 2014	Germany	1	320,102	8.5
GE Aviation	Jan. 2014	US	1	369,000	10.5
Provident Financial	Feb. 2014	UK	1	117,003	20.4
Crown Crest	Feb. 2014	UK	1	805,530	23.6
Trane	Feb. 2014	US	1	25,000	8.4
Aviva	Mar. 2014	UK	1	131,614	14.0
DFS Trading	Mar. 2014	UK	5	240,230	14.7
GSA I	Mar. 2014	US	1	135,373	7.1
National Oilwell Varco	Mar. 2014	US	1	24,450	8.1
Talk Talk	Apr. 2014	UK	1	48,415	9.7
OBI DIY	Apr. 2014	Germany	1	143,633	8.4
GSA II	Apr. 2014	US	2	24,957	7.7
DFS Trading	Apr. 2014	UK	2	39,331	14.7
GSA III	Apr. 2014	US	2	28,364	10.0
GSA IV	May 2014	US	1	33,000	10.1
Indiana Department of Revenue	May 2014	US	1	98,542	7.5
National Oilwell Varco	May 2014	US	1	7,500	13.9
Nissan	May 2014	US	1	462,155	13.3
GSA V	Jun. 2014	US	1	26,533	7.7
Lippert Components	Jun. 2014	US	1	539,137	11.1
Select Energy Services I	Jun. 2014	US	3	135,877	11.5
Bell Supply Co I	Jun. 2014	US	6	79,829	13.5
Axon Energy Products	Jun. 2014	US	3	213,634	11.5

Lhoist	Jun. 2014	US	1	22,500	7.5
GE Oil & Gas	Jun. 2014	US	2	69,846	8.2

Portfolio	Acquisition Date	Country	Number of Properties	Square Feet	Remaining Lease Term [1]
Select Energy Services II	Jun. 2014	US	4	143,417	11.4
Bell Supply Co II	Jun. 2014	US	2	19,136	13.5
Superior Energy Services	Jun. 2014	US	2	42,470	8.9
Amcor Packaging	Jun. 2014	UK	7	294,580	9.4
GSA VI	Jun. 2014	US	1	6,921	8.7
Nimble Storage	Jun. 2014	US	1	164,608	6.3
FedEx -3-Pack	Jul. 2014	US	3	338,862	7.1
Sandoz, Inc.	Jul. 2014	US	1	154,101	11.1
Wyndham	Jul. 2014	US	1	31,881	9.8
Valassis	Jul. 2014	US	1	100,597	7.8
GSA VII	Jul. 2014	US	1	25,603	9.4
AT&T Services	Jul. 2014	US	1	401,516	11.1
PNC - 2-Pack	Jul. 2014	US	2	210,256	14.1
Fujitisu	Jul. 2014	UK	3	162,888	11.4
Continental Tire	Jul. 2014	US	1	90,994	7.1
Achmea	Jul. 2014	Netherlands	2	190,252	8.5
BP Oil	Aug. 2014	UK	1	2,650	10.3
Malthurst	Aug. 2014	UK	2	3,784	10.4
HBOS	Aug. 2014	UK	3	36,071	10.1
Thermo Fisher	Aug. 2014	US	1	114,700	9.2
Black & Decker	Aug. 2014	US	1	71,259	6.6
Capgemini	Aug. 2014	UK	1	90,475	7.8
Merck & Co.	Aug. 2014	US	1	146,366	10.2
Family Dollar - 65-Pack	Aug. 2014	US	65	541,472	14.2
GSA VIII	Aug. 2014	US	1	23,969	9.1
Garden Ridge	Sep. 2014	US	4	564,910	14.2
Waste Management	Sep. 2014	US	1	84,119	7.5
Intier Automotive Interiors	Sep. 2014	UK	1	152,711	8.9
HP Enterprise Services	Sep. 2014	UK	1	99,444	10.7
Shaw Aero Devices, Inc.	Sep. 2014	US	1	130,581	7.3
FedEx Freight	Sep. 2014	US	1	11,501	8.8
Hotel Winston	Sep. 2014	Netherlands	1	24,283	14.2
Dollar General - 39-Pack	Sep. 2014	US	39	369,644	12.8
FedEx III	Sep. 2014	US	2	221,260	9.0
Mallinkrodt Pharmaceuticals	Sep. 2014	US	1	89,900	9.2
Kuka	Sep. 2014	US	1	200,000	9.0
CHE Trinity	Sep. 2014	US	2	373,593	7.4
FedEx IV	Sep. 2014	US	2	255,037	7.6
GE Aviation	Sep. 2014	US	1	102,000	7.5
DNV GL	Oct. 2014	US	1	82,000	9.7
Bradford & Bingley	Oct. 2014	UK	1	120,618	14.3
Rexam	Oct. 2014	Germany	1	175,615	9.7
FedEx V	Oct. 2014	US	1	76,035	9.0
CJ Energy	Oct. 2014	US	1	96,803	10.8
Family Dollar II	Oct. 2014	US	34	282,730	14.3
Panasonic	Oct. 2014	US	1	48,497	13.1
Onguard	Oct. 2014	US	1	120,000	8.5
Metro Tonic	Oct. 2014	Germany	1	636,066	10.3
Axon Energy Products	Oct. 2014	US	1	26,400	9.3

Tokmanni	Nov. 2014	Finland	1	800,834	18.2

Portfolio	Acquisition Date	Country	Number of Properties	Square Feet	Remaining Lease Term [1]
Fife Council	Nov. 2014	UK	1	37,331	8.6
Family Dollar III	Nov. 2014	US	2	16,442	14.2
GSA IX	Nov. 2014	US	1	28,300	6.8
KPN BV	Nov. 2014	Netherlands	1	133,053	11.5
RWE AG	Nov. 2014	Germany	3	594,415	9.4
Follett School	Dec. 2014	US	1	486,868	9.5
Quest Diagnostics	Dec. 2014	US	1	223,894	9.2
Family Dollar IV	Dec. 2014	US	1	8,030	14.2
Diebold	Dec. 2014	US	1	158,330	6.5
Dollar General	Dec. 2014	US	1	12,406	12.7
Weatherford Intl	Dec. 2014	US	1	19,855	10.3
AM Castle	Dec. 2014	US	1	127,600	9.3
FedEx VI	Dec. 2014	US	1	27,771	9.2
Constellium Auto	Dec. 2014	US	1	320,680	14.4
C&J Energy II	Mar. 2015	US	1	125,000	10.8
Fedex VII	Mar. 2015	US	1	12,018	9.3
Fedex VIII	Apr. 2015	US	1	25,852	9.3
Fresenius	May 2015	US	1	10,155	14.7
Total			311	16,478,869	11.4

(1) Remaining lease term in years as of June 30, 2015 .

Results of Operations

Comparison of Three Months Ended June 30, 2015 to Three Months Ended June 30, 2014

Rental Income

Rental income was $47.2 million and $13.2 million for the three months ended June 30, 2015 and 2014 , respectively. The significant increase in rental income was driven primarily by our acquisition of 215 properties since June 30, 2014 , for an aggregate purchase price of $1.6 billion .

Operating Expense Reimbursements

Operating expense reimbursements were $1.8 million for the three months ended June 30, 2015 compared to $0.4 million in the corresponding period in 2014 . Our lease agreements generally require tenants to pay all property operating expenses, in addition to base rent, however some limited property operating expenses may be absorbed by the Company. Operating expense reimbursements primarily reflect insurance costs incurred by us and subsequently reimbursed by the tenant. The increase over 2014 is largely driven by acquisitions made in latter part of 2014 .

Property Operating Expenses

Property operating expenses were $3.4 million for the three months ended June 30, 2015 . These costs primarily relate to insurance on our properties, which are generally reimbursable by the tenants. Property operating expenses were $0.8 million for the three months ended June 30, 2014 . The increase is primarily driven by our acquisition of 215 properties since June 30, 2014 , most of which are triple net leases. The main exceptions are GSA properties for which expenses are not reimbursable by tenants.

Operating Fees to Affiliates of the Advisor

Operating fees to affiliates were $4.1 million for the three months ended June 30, 2015 . Operating fees to affiliates represent asset management fees paid to the Advisor. Prior to April 1, 2015, we issued the Advisor restricted performance based Class B units for asset management services, which converted to OP Units as of the Listing. During the three months ended June 30, 2014 , there were no asset management fees paid to the Advisor, instead the Board approved the issuance of 146,767 Class B Units to the Advisor at a price of $9.00 per unit.

Our Service Provider and Property Manager are entitled to fees for the management of our properties. Property management fees are calculated as a percentage of gross revenues. During the three months ended June 30, 2015 and 2014 , property management fees were $1.0

million and $0.1 million , respectively. The Property Manager elected to waive $0.6 million and $0.1 million of the property management fees for the three months ended June 30, 2015 and 2014 , respectively.

Acquisition and Transaction Related Costs

Acquisition and transaction related expenses for the three months ended June 30, 2015 of $0.2 million primarily related to the purchase of two properties with an aggregate purchase price of $8.5 million . Acquisition and transaction related expenses for the three months ended June 30, 2014 of $8.2 million were incurred related to the 46 properties acquired during that period with an aggregate purchase price of $299.2 million .

Listing Fees

During the three months ended June 30, 2015 , the Company paid approximately $18.5 million in listing related fees in association with the Listing.

Vesting of Class B units

Vesting of Class B units expense was $14.5 million for the three months ended June 30, 2015 , relating to the vesting of Class B units previously issued to the Advisor for prior asset management services. The performance condition related to these Class B units was satisfied upon completion of the Listing and on June 2, 2015 , the Class B units were converted to OP Units on a one-to-one basis.

Change in Fair Value of Listing Note

The charge of $4.4 million for the three months ended June 30, 2015 represents the initial valuation of the Listing Note on June 2, 2015 adjusted for valuation change through June 30, 2015 . The fair value of the Listing Note obligation is not yet definitive and the final value could differ materially from the value at June 30, 2015 . The Listing Note is marked-to-market quarterly, with changes in the value recorded in the consolidated statements of operations and comprehensive income (loss).

General and Administrative Expense

General and administrative expense of $1.9 million for the three months ended June 30, 2015 , primarily included board member compensation, directors and officers' liability insurance, and professional fees including audit and taxation services. General and administrative expense for the three months ended June 30, 2014 was approximately $0.9 million .

Equity Based Compensation

During the three months ended June 30, 2015 , the Company recognized approximately $0.5 million related to the amortization of the OPP Plan.

Depreciation and Amortization

Depreciation and amortization expense of $22.1 million and $7.6 million for the three months ended June 30, 2015 and 2014 , respectively. The majority of the portfolio was acquired in 2014. The purchase price of acquired properties is allocated to tangible and identifiable intangible assets and depreciated or amortized over the estimated useful lives. The increase is due our acquisition of 311 properties since inception with an aggregate base purchase price of $2.4 billion , as of the respective acquisition dates.

Income Tax Expense

Income tax expense of $1.3 million for the three months ended June 30, 2015 primarily reflects provisions for taxes due in foreign jurisdictions. Income tax expense for the three months ended June 30, 2014 was approximately $0.7 million .

Interest Expense

Interest expense of $7.9 million and $2.6 million was incurred for the three months ended June 30, 2015 and 2014 , respectively. The increase was primarily related to an increase in average borrowings to finance our property acquisitions.

Foreign Currency and Interest Rate Impact on Operations

There were minimal realized gains or (losses) on day to day foreign currency fluctuations for the three months ended June 30, 2015 , reflecting the limited effect of day to day movements in foreign currency exchange rates. A loss on foreign currency of $26,000 was realized for the three months ended June 30, 2014 .

The losses on derivative instruments for the three months ended June 30, 2015 of $3.7 million reflects a negative marked-to-market impact from foreign currency and interest rate hedge instruments used to protect the investment portfolio from adverse currency and interest rate movements, and was particularly driven by volatility in foreign currencies particularly the Euro. A loss on derivative instruments of $0.2 million was realized for the three months ended June 30, 2014 .

The losses on hedging instrument deemed ineffective for the three months ended June 30, 2015 were $0.5 million relate to the marked-to-market adjustments of slightly over-hedged portion of our European investments at June 30, 2015 . There were no corresponding gains or (losses) for the three months ended June 30, 2014 .

The unrealized losses on non-functional foreign currency advances that were not designated as net investment hedges for the three months ended June 30, 2015 were $11.8 million . There were no corresponding gains or (losses) for the three months ended June 30, 2014 . Effective May 17, 2015 , additional foreign currency advances were designated as net investment hedges.

Comparison of Six Months Ended June 30, 2015 to Six Months Ended June 30, 2014

Rental Income

Rental income was $94.7 million and $20.5 million for the six months ended June 30, 2015 and 2014 , respectively. The significant increase in rental income was driven primarily by our acquisition of 215 properties since June 30, 2014 , for an aggregate purchase price of $1.6 billion .

Operating Expense Reimbursements

Operating expense reimbursements were $4.4 million for the six months ended June 30, 2015 compared to $0.6 million in the corresponding period in 2014 . Our lease agreements generally require tenants to pay all property operating expenses, in addition to base rent, however some limited property operating expenses may be absorbed by the Company. Operating expense reimbursements primarily reflect insurance costs incurred by us and subsequently reimbursed by the tenant. The increase over 2014 is largely driven by acquisitions made in latter part of 2014 .

Property Operating Expenses

Property operating expenses were $7.4 million for the six months ended June 30, 2015 . These costs primarily relate to insurance on our properties, which are generally reimbursable by the tenants. Property operating expenses were $1.0 million for the six months ended June 30, 2014 . The increase is primarily driven by our acquisition of 215 properties since June 30, 2014 , most of which are triple net leases. The main exceptions are GSA properties for which expenses are not reimbursable by tenants.

Operating Fees to Affiliates of the Advisor

Operating fees to affiliates were $5.3 million for the six months ended June 30, 2015 . Operating fees to affiliates represent asset management fees paid the Advisor. Prior to April 1, 2015, we issued the Advisor restricted performance based Class B units for asset management services, which converted to OP Units as of the Listing. During the six months ended June 30, 2014 , there were no asset management fees paid to the Advisor, instead the Board approved the issuance of 186,559 Class B Units to the Advisor at a price of $9.00 per unit.

Our Service Provider and Property Manager are entitled to fees for the management of our properties. Property management fees are calculated as a percentage of gross revenues. During the six months ended June 30, 2015 and 2014 , property management fees were $1.0 million and $0.2 million , respectively. The Property Manager elected to waive $1.2 million and $0.2 million of the property management fees for the six months ended June 30, 2015 and 2014 , respectively.

Acquisition and Transaction Related Costs

Acquisition and transaction related expenses for six months ended June 30, 2015 of $1.3 million primarily related to the purchase of four properties with an aggregate purchase price of $47.2 million . Acquisition and transaction related expenses for the six months ended June 30, 2014 of $24.8 million were incurred related to the 46 properties acquired during that period with an aggregate purchase price of $299.2 million .

Listing Fees

During the six months ended June 30, 2015 , the Company paid approximately $18.5 million in listing related fees in association with the Listing.

Vesting of Class B units

Vesting of Class B units expense was $14.5 million for the six months ended June 30, 2015 , relating to the vesting of Class B units previously issued to the Advisor for prior asset management services based on the closing price of Company's Common Stock on June 2, 2015 . The performance condition related to these Class B units was satisfied upon completion of the Listing and on June 2, 2015 , the Class B units were converted to OP Units on a one-to-one basis.

Change in Fair Value of Listing Note

The charge of $4.4 million for the six months ended June 30, 2015 represents the initial valuation of the Listing Note on June 2, 2015 adjusted for valuation change through June 30, 2015 . The fair value of the Listing Note obligation is not yet definitive and the final value could differ materially from the value at June 30, 2015 . The Listing Note is marked-to-market quarterly, with changes in the value recorded in the consolidated statements of operations and comprehensive income (loss).

General and Administrative Expense

General and administrative expense of $3.6 million for the six months ended June 30, 2015 , primarily included board member compensation, directors and officers' liability insurance, and professional fees including audit and taxation services. General and administrative expense for the six months ended June 30, 2014 was approximately $1.4 million .

Equity Based Compensation

During the six months ended June 30, 2015 , the Company recognized approximately $0.5 million related to the amortization of the OPP Plan.

Depreciation and Amortization

Depreciation and amortization expense of $43.2 million and $12.0 million for the six months ended June 30, 2015 and 2014 , respectively. The majority of the portfolio was acquired in 2014. The purchase price of acquired properties is allocated to tangible and identifiable intangible assets and depreciated or amortized over the estimated useful lives. The increase is due our acquisition of 311 properties since inception with an aggregate base purchase price of $2.4 billion , as of the respective acquisition dates.

Income Tax Expense

The income tax expense of $2.9 million for the six months ended June 30, 2015 primarily reflects provisions for taxes due in foreign jurisdictions. Income tax expense for the six months ended June 30, 2014 was approximately $1.1 million .

Interest Expense

Interest expense of $15.8 million and $4.3 million was incurred for the six months ended June 30, 2015 and 2014 , respectively. The increase was primarily related to an increase in average borrowings used to finance our property acquisitions.

Foreign Currency and Interest Rate Impact on Operations

There were minimal realized gains or (losses) on day to day foreign currency fluctuations for the six months ended June 30, 2015 , reflecting the limited effect of day to day movements in foreign currency exchange rates. A loss on foreign currency of $19,000 was realized for the six months ended June 30, 2014 .

The gains on derivative instruments for the six months ended June 30, 2015 of $0.5 million reflects the positive marked-to-market impact from foreign currency and interest rate hedge instruments used to protect the investment portfolio from adverse currency and interest rate movements, and was particularly driven by volatility in foreign currencies particularly the Euro. A loss on derivative instruments of $0.3 million was realized for the six months ended June 30, 2014 .

The gains on hedging instrument deemed ineffective for the six months ended June 30, 2015 were $0.9 million which relate to the marked-to-market adjustments of slightly over-hedged portion of our European investments June 30, 2015 . There were no corresponding gains or (losses) for the six months ended June 30, 2014 .

The unrealized losses on non-functional foreign currency advances that were not designated as net investment hedges for the six months ended June 30, 2015 were $2.9 million . There were no corresponding gains or (losses) for the six months ended June 30, 2014 . Effective May 17, 2015 , additional foreign currency advances were designated as net investment hedges.

Cash Flows for Six Months Ended June 30, 2015

During the six months ended June 30, 2015 , net cash provided by operating activities was $44.4 million . The level of cash flows provided by operating activities is driven by the volume of acquisition activity, related rental income received, vesting of asset management fees in the form of Class B units, and the amount of interest payments on outstanding borrowings. Cash flows provided in operating activities during the six months ended June 30, 2015 also included $1.3 million of acquisition and transaction related costs.

Net cash used in investing activities during the six months ended June 30, 2015 was $38.8 million , primarily related to our acquisition of 4 properties with an aggregate base purchase price of $47.2 million , which were partially funded with borrowings under our credit facility.

Net cash used in financing activities of $18.8 million during the six months ended June 30, 2015 related to proceeds, net of receivables, from the issuance of Common Stock of $0.3 million , borrowings under credit facility of $251.6 million and net advances from affiliates of $1.9 million , partially offset by Common Stock repurchases of $2.2 million and repayments on credit facility of $295.0 million . Other payments included dividends to stockholders of $37.8 million .

Cash Flows for the Six Months Ended June 30, 2014

During the six months ended June 30, 2014 , net cash used in operating activities was $3.2 million . The level of cash flows used in or provided by operating activities is affected by the volume of acquisition activity, the timing of interest payments and the amount of borrowings outstanding during the period, as well as the receipt of scheduled rental payments. Cash flows used in operating activities during the six months ended June 30, 2014 included $24.8 million of acquisition and transaction related costs.

Net cash used in investing activities during the six months ended June 30, 2014 of $445.6 million , primarily related to our acquisition of 59 properties with an aggregate base purchase price of $610.1 million , and partially funded with $91.2 million borrowings under the credit facility.

Net cash provided by financing activities of $1.4 billion during the six months ended June 30, 2014 related to proceeds, net of receivables, from the issuance of Common Stock of $1,547.0 million and borrowings under credit facility of $91.2 million , partially offset by offering cost payments of $159.3 million and repayments on credit facility of $19.6 million Other payments included deferred financing costs of $8.0 million , dividends to stockholders of $8.6 million and net advances from affiliates of $0.5 million .

Liquidity and Capital Resources

As of June 30, 2015 , we had cash of $61.6 million . Principal future demands on cash will include the purchase of additional properties or other investments in accordance with our investment strategy, payment of related acquisition costs, improvement costs, the payment of our operating and administrative expenses, continuing debt service obligations and dividends to our stockholders. Management expects that as our portfolio matures rental income from our properties should cover operating expenses and the payment of our monthly dividend.

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

As of June 30, 2015 we have a revolving credit facility that currently permits us to borrow up to $705.0 million . The initial maturity date of the credit facility is July 25, 2016. The credit facility also contains two one-year extension options, subject to certain conditions. See Note 4 — Revolving Credit Facility to our unaudited consolidated financial statements in this Quarterly Report on Form 10-Q for further discussion of the terms and conditions of this facility.

As of June 30, 2015 , total outstanding advances under the credit facility were $596.1 million . The unused borrowing capacity, based on the value of the borrowing base properties as of June 30, 2015 was $108.9 million . Subsequent to June 30, 2015 , we funded our Tender Offer obligation using $20.0 million cash on hand and $105.0 million funds available under the credit facility

Our current intention is to limit aggregate borrowings to 45% of the aggregate fair market value of our assets (calculated after the close of our offering and once we have invested substantially all the proceeds of our offering), unless borrowing a greater amount is approved by a majority of our independent directors and disclosed to stockholders in our next quarterly report following such borrowing along with justification for borrowing such a greater amount. This limitation does not apply to individual real estate assets or investments. At the date of acquisition of each asset, we anticipate that the cost of investment for such asset will be substantially similar to its fair market value, which will enable us to satisfy our requirements under our charter. However, subsequent events, including changes in the fair market value of our assets, could result in our exceeding these limits. As of June 30, 2015 , we had secured mortgage notes payable of $337.4 million and outstanding advances under our credit facility of $596.1 million . Our debt leverage ratio was 38.5% (total debt as a percentage of total purchase price of real estate investments) as of June 30, 2015 .

We intend to maintain 5% of our NAV in excess of $1 billion in liquid assets that can be liquidated more readily than properties. However, our stockholders should not expect that we will maintain liquid assets at or above these levels. To the extent that we maintain borrowing capacity under a line of credit, such available amount will be included in calculating our liquid assets. The Advisor will consider various factors in determining the amount of liquid assets we should maintain, including but not limited to our receipt of proceeds from sales of additional shares, our cash flow from operations, available borrowing capacity under a line of credit, if any, our receipt of proceeds from any asset sale, and the use of cash to fund repurchases. The Board will review the amount and sources of liquid assets on a quarterly basis.

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

The following table reflects the cumulative number of common shares repurchased as of December 31, 2014 and as of and for the six months ended June 30, 2015 :

	Number of Shares Repurchased	Average Price per Share
Cumulative repurchases as of December 31, 2014	99,969	$ 9.91
Six months ended June 30, 2015	124,012	9.74
Cumulative repurchases as of June 30, 2015	223,981	$ 9.83

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

Non-GAAP Financial Measures

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

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

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

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

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, and straight-line amortization of intangibles, which implies that the value of a real estate asset diminishes predictably over time, especially if not adequately maintained or repaired and renovated as required by relevant circumstances or as requested or required by lessees for operational purposes in order to maintain the value disclosed. We believe that, because real estate values historically rise and fall with market conditions, including inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using historical accounting for depreciation and certain other items may be less informative. Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate related depreciation and amortization, among other things, provides a more complete understanding of our performance to investors and to management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income. However, FFO, core funds from operations ("Core FFO") and adjusted funds from operations (“AFFO”), as described below, should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. The method utilized to evaluate the value and performance of real estate under GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP FFO, Core FFO and AFFO measures and the adjustments to GAAP in calculating FFO, Core FFO and AFFO. Other REITs may not define FFO in accordance with the current NAREIT definition (as we do) or may interpret the current NAREIT definition differently than we do and/or calculate Core FFO and/or AFFO differently than we do. Consequently, our presentation of FFO, Core FFO and AFFO may not be comparable to other similarly titled measures presented by other REITs.

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

Changes in the accounting and reporting promulgations under GAAP (for acquisition fees and expenses from a capitalization/depreciation model to an expensed-as-incurred model) that were put into effect in 2009 and other changes to GAAP accounting

for real estate subsequent to the establishment of NAREIT's definition of FFO have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses for all industries as items that are expensed under GAAP, that are typically accounted for as operating expenses.

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

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

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

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

The table below reflects the items deducted or added to net income (loss) in our calculation of FFO, Core FFO and AFFO for the periods indicated. The Company previously disclosed FFO and modified funds from operations as Non-GAAP measures. Prior periods have been recast based on the Non-GAAP Financial Measurements presented. Management believes these Non-GAAP measures are more meaningful to the users of our financial statements given our Listing.

	Three Months Ended		Six Months Ended
(In thousands)	March 31, 2015	June 30, 2015	June 30, 2015
Net income (loss) attributable to stockholders (in accordance with GAAP)	$ 25,855	$ (45,664)	$ (19,809)
Depreciation and amortization	21,114	22,089	43,203
FFO (as defined by NAREIT) attributable to stockholders	46,969	(23,575)	23,394
Acquisition and transaction fees	1,085	212	1,297
Listing fees	—	18,503	18,503
Vesting of Class B units upon Listing	—	14,480	14,480
Change in fair value of Listing Note	—	4,430	4,430
Core FFO	48,054	14,050	62,104
Non-cash compensation expense	8	503	511
Non-cash portion of interest expense	1,944	1,994	3,938
Class B dividends	124	309	433
Unrealized (gains) losses on non-functional foreign currency advances not designated as net investment hedges	(8,907)	11,842	2,935
Straight-line rent	(4,439)	(3,437)	(7,876)
Amortization of above/below market leases and ground lease assets and liabilities, net	109	101	210
(Gains) losses on derivative instruments	(4,211)	3,736	(475)
Gains (losses) on hedging instrument deemed ineffective	(1,448)	508	(940)
Amortization of mortgage premium	(42)	(202)	(244)
AFFO	31,192	29,404	60,596

Dividends

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

The amount of dividends payable to our stockholders is determined by our board of directors and is dependent on a number of factors, including funds available for dividend, our financial condition, capital expenditure requirements, as applicable, requirements of Maryland law and annual dividend requirements needed to qualify and maintain our status as a REIT for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Dividend payments are dependent on the availability of funds. Our board of directors may reduce the amount of dividends paid or suspend dividend payments at any time and therefore dividend payments are not assured. There is no assurance that we will continue to declare dividends at this rate.

During the six months ended June 30, 2015 , dividends paid to common stockholders were $66.4 million , inclusive of $28.6 million of dividends issued under the DRIP. During the six months ended June 30, 2015 , cash used to pay dividends was generated from cash flows from operations, the net proceeds of our IPO and Common Stock issued under the DRIP.

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

	Three Months Ended				Six Months Ended	
	March 31, 2015		June 30, 2015		June 30, 2015	
(In thousands)		Percentage of Dividends		Percentage of Dividends		Percentage of Dividends
Dividends to stockholders [(1)]	$ 31,275		$ 35,087		$ 66,362	
Source of dividend coverage:						
Cash flows provided by operations (GAAP basis)	$ 14,268	45.6%	$ 23,516	67.0%	$ 37,784	56.9%
Proceeds from issuance of Common Stock	—	—%	—	—%	—	—%
Common Stock issued under the DRIP	17,007	54.4%	11,571	33.0%	28,578	43.1%
Total sources of dividend coverage	$ 31,275	100.0%	$ 35,087	100.0%	$ 66,362	100.0%
Cash flows provided by operations (GAAP basis) [(2)]	$ 34,489		$ 9,948		$ 44,437	
Net income (loss) attributable to stockholders (in accordance with GAAP)	$ 25,855		$ (45,664)		$ (19,809)	

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(1) Dividends amounts for the period indicated above exclude dividends related to unvested restricted stock, Class B units and OP Units. No dividends related to unvested restricted stock were paid for the six months ended June 30, 2015 .

(2) Cash flows used in operations for the six months ended June 30, 2015 reflects acquisition and transaction related expenses of $1.3 million .

The following table compares cumulative dividends paid to cumulative net loss (in accordance with GAAP) for the period from July 13, 2011 (date of inception) through June 30, 2015 :

(In thousands)	For the Period from July 13, 2011 (date of inception) to June 30, 2015
Dividends paid:	
Common stockholders in cash	$ 74,951
Common stockholders pursuant to DRIP	74,789
Vested restricted stockholders in cash	20
Total dividends paid	$ 149,760
Reconciliation of net loss:	
Revenues	$ 196,401
Acquisition and transaction-related expenses	(92,768)
Listing fees	(18,503)
Vesting of Class B units	(14,480)
Change in fair value of listing note	(4,430)
Equity based compensation	(503)
Depreciation and amortization	(85,723)
Other operating expenses	(29,792)
Income tax benefit (expense)	(1,512)
Other non-operating expense	(29,649)
Net loss attributable to non-controlling interests	143
Net loss attributable to stockholders (in accordance with GAAP) [(1)]	$ (80,816)

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(1) Net loss attributable to stockholders as defined by GAAP includes the non-cash impact of depreciation and amortization expense as well as costs incurred relating to acquisitions and related transactions.

Loan Obligations

Our loan obligations generally require principal and interest amounts payable monthly with all unpaid principal and interest due at maturity. The loan agreements stipulate compliance with specific reporting covenants. As of June 30, 2015 , we were in compliance with the debt covenants under our loan agreements.

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

Foreign Currency Translation

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

Contractual Obligations

The following is a summary of our contractual obligations as of June 30, 2015 :

			Year Ended December 31,		
(In thousands)	Total	July 1, 2015 — December 31, 2015	2016 — 2017	2018 — 2019	Thereafter
Principal on mortgage notes payable	$ 337,397	$ 363	$ 23,871	$ 229,592	$ 83,571
Interest on mortgage notes payable	43,464	5,340	21,395	14,651	2,078
Principal on credit facility [(1)]	596,115	—	596,115	—	—
Interest on credit facility [(1)]	25,730	6,262	19,468	—	—
Tender offer liability	125,000	125,000	—	—	—
Ground lease rental payments due	412	4	16	17	374
Total [(2)]	$ 1,128,118	$ 136,969	$ 660,865	$ 244,260	$ 86,023

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(1) Amounts in the table above that relate to our foreign operations are based on the exchange rate of the local currencies at June 30, 2015 , which consisted primarily of the Euro and British pounds. At June 30, 2015 , we had no material capital lease obligations for which we were the lessee, either individually or in the aggregate.

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

Inflation

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

Related-Party Transactions and Agreements

We have entered into agreements with affiliates of our Sponsor, whereby we have paid or may in the future pay certain fees or reimbursements to our Advisor or its affiliates and entities under common control with our Advisor in connection with sales and maintenance of Common Stock under our offering, transfer agency services, asset and property management services and reimbursement of operating and offering related costs. See Note 11 — Related Party Transactions to our unaudited 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 as of June 30, 2015 that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Election as a REIT

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

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The market risk associated with financial instruments and derivative financial instruments is the risk of loss from adverse changes in market prices, interest rates and exchange rates. Our interest rate risk management objectives with respect to our long-term debt will be to limit the impact of interest rate changes in earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, from time to time, we enter into interest rate hedge contracts such as swaps and collars in order to mitigate our interest rate risk with respect to various debt instruments. We would not hold or issue these derivative contracts for trading or speculative purposes. We use foreign currency derivatives including cross currency swaps to hedge our exposure to changes in foreign exchange rates on certain of our foreign investments.

As of June 30, 2015 , our debt included fixed-rate secured mortgage financing, with a carrying value of $338.3 million and a fair value of $339.1 million and a weighted average interest rate per annum of 3.0% . Changes in market interest rates on our fixed-rate debt impact the fair value of the notes, but it has no impact on interest incurred or cash flow. For instance, if interest rates rise 100 basis points and our fixed rate debt balance remains constant, we expect the fair value of our obligation to decrease, the same way the price of a bond declines as interest rates rise. The sensitivity analysis related to our fixed–rate debt assumes an immediate 100 basis point move in interest rates from their June 30, 2015 levels, with all other variables held constant. A 100 basis point increase in market interest rates would result in a decrease in the fair value of our fixed-rate debt by $1.6 million . A 100 basis point decrease in market interest rates would result in an increase in the fair value of our fixed-rate debt by $1.8 million .

As of June 30, 2015 our debt included a variable-rate revolving credit facility with a carrying value of $596.1 million and a fair value of $608.4 million and a weighted average interest rate per annum of 2.1% . Interest rate volatility associated with this variable-rate credit facility affects interest expense incurred and cash flow. The sensitivity analysis related to our variable-rate debt assumes an immediate 100 basis point move in interest rates at the beginning of the year with all other variables held constant. A 100 basis point increase or decrease in variable interest rates on our variable-rate credit facility would increase or decrease our interest expense by $0.3 million and $0.4 million respectively.

These amounts were determined by considering the impact of hypothetical interest rate changes on our borrowing costs, and assuming no other changes in our capital structure. As the information presented above includes only those exposures that existed as of June 30, 2015 , it does not consider exposures or positions arising after that date. The information represented herein has limited predictive value. Future actual realized gains or losses with respect to interest rate fluctuations will depend on cumulative exposures, hedging strategies employed and the magnitude of the fluctuations.

Item 4. Controls and Procedures.

In accordance with Rules 13a-15(b) and 15d-15(b) of the Exchange Act, we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q and determined that the disclosure controls and procedures are effective.

No change occurred in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the three and six months ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

As of the end of the period covered by this Quarterly Report on Form 10-Q, we are not a party to any material pending legal proceedings.

Item 1A. Risk Factors.

Our potential risks and uncertainties are presented in the section entitled "Risk Factors", contained in the Annual Report on Form 10-K for the year ended December 31, 2014 . There have been no material changes from these risk factors, except for the items described below.

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

Distributions paid from sources other than our cash flows from operations, particularly from proceeds of our offering, reduce the funds available for the acquisition of properties and other real estate-related investments and may dilute your interests in us, which may adversely affect our ability to fund future distributions with cash flows from operations and may adversely affect your overall return.

Our cash flows provided by operations were $44.4 million for the six months ended June 30, 2015 . During the six months ended June 30, 2015 , we paid dividends of $66.4 million , of which $28.6 million , or 43.1% , was funded from proceeds from the issuance of Common Stock and proceeds from our IPO which were reinvested in Common Stock issued under the DRIP. The remaining $37.8 million , or 56.9% , was funded from cash flows from operations. During the six months ended June 30, 2015 cash flows from operations included an increase in accounts payable and accrued expenses of $4.4 million , as reflected on the statement of cash flows. Accordingly, if these accounts payable and accrued expenses had been paid during the six months ended June 30, 2015 , there would have been $4.4 million less in cash flows from operations available to pay dividends. Using offering proceeds to pay dividends, especially if the dividends are not reinvested through our DRIP, reduces cash available for investment in assets and other purposes and reduces our per share stockholder equity. We may continue to use the net offering proceeds to fund dividends.

We may not generate sufficient cash flows from operations to pay dividends. If we have not generated sufficient cash flows from our operations and other sources, such as from borrowings, the sale of additional securities, advances from our Advisor, and/or our Advisor's deferral, suspension and/or waiver of its fees and expense reimbursements, in order to fund dividends, we may use the proceeds from our IPO. Moreover, our board of directors may change our dividend policy, in its sole discretion, at any time. We have not established any limit on the amount of proceeds from our IPO that may be used to fund dividends, except that, in accordance with our organizational documents and Maryland law, we may not make dividends that would: (1) cause us to be unable to pay our debts as they become due in the usual course of business; (2) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences, if any; or (3) jeopardize our ability to qualify as a REIT for U.S. federal income tax purposes.

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

The requirements of being a public entity and sustaining growth may strain our resources.

As a newly public entity, we are subject to the rules and requirements of the Securities and Exchange Commission, or SEC, the Sarbanes-Oxley Act, the Dodd-Frank Act, the Public Company Accounting Oversight Board, or the PCAOB, and the NYSE, each of which imposes additional reporting and other obligations on public companies. These requirements may place a strain on our systems and resources. For example, the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires that we file annual, quarterly and current reports with respect to our business and financial condition and the Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting, which is discussed below.

We have been and will continue to be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. In addition, sustaining our growth also will require us to commit additional management, operational, and financial resources to identify new professionals to join the firm and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our businesses, financial condition, results of operations and cash flows. We expect to incur significant additional annual expenses related to these steps and, among other things, additional directors' and officers' liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, hiring additional accounting, legal and administrative personnel, increased auditing, tax and legal fees and similar expenses.

If we are unable to implement and maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, which could adversely affect the market price of our common stock.

Prior to our initial public offering, we were not required to comply with Section 404 of the Sarbanes-Oxley Act, or Section 404, and were therefore not required to make an assessment of the effectiveness of our internal control over financial reporting for that purpose. However, as a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. In addition, we will be required to furnish a report by management on the effectiveness of our internal control over financial reporting pursuant to Section 404 at the time of next annual report on Form 10-K, which will be for our fiscal year ending December 31, 2015 . We are in the process of designing, implementing and testing the internal control over financial reporting required to comply with this obligation, which process is time consuming, costly and complex. If in the future we identify material weaknesses in our internal control over financial reporting, we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the SEC, NYSE or other regulatory authorities, which could require additional financial and management resources.

The trading price of our common stock has been volatile and may fluctuate.

The trading price of our common stock has been volatile and may continue to fluctuate widely as a result of a number of factors, many of which are outside our control. In addition, the stock market is subject to fluctuations in the share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have in the past and may in the future adversely affect the market price of our common stock. Among the factors that could affect the price of our common stock are:

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

A significant decline in our stock price could result in substantial losses for our stockholders.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds of Registered Securities.

On June 2, 2015 , the Advisor contributed $750,000 in exchange for 83,333 OP Units. 1,726,323 OP Units were issued in exchange for Class B Units which were issued in reliance upon exemptions from registration provided under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder. These OP Units are exchangeable for shares of Common Stock of the Company on a one-for-one basis, or the cash value of shares of Common Stock (at the option of the Company), after 12 months from the Listing Date subject to the terms of the limited partnership agreement of the OP.

Other than as described above, we did not sell any equity securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act"), during the six months ended June 30, 2015 .

On April 20, 2012, we commenced our IPO on a "reasonable best efforts" basis of up to 150.0 million of Common Stock, pursuant to the Registration Statement filed with the SEC under the Securities Act. The Registration Statement also covers up to 25.0 million shares of Common Stock issuable pursuant the DRIP under which common stockholders may elect to have their dividends reinvested in additional shares of Common Stock. On June 13, 2014, we announced the reallocation 23.8 million shares which represented all remaining unsold shares available pursuant to the DRIP. On June 17, 2014, we registered an additional 25.0 million shares to be issued under the DRIP pursuant to a registration statement on Form S-3 (File No. 333-196829). As of June 30, 2015 , we have issued 168.9 million shares of our Common Stock, and received $1,793.1 million of offering proceeds from the sale of Common Stock, including shares issued under the DRIP. On May 7, 2015, the Company filed a post-effective amendment to the Registration Statement to deregister the unsold shares registered under the Registration Statement.

The following table reflects the offering costs associated with the issuance of Common Stock:

(In thousands)	For the Period from July 13, 2011 (date of inception) to June 30, 2015
Selling commissions and dealer manager fees	$ 162,391
Other offering costs	25,729
Total offering costs	$ 188,120

The Legacy Dealer Manager may reallow the selling commissions and a portion of the dealer manager fees to participating broker-dealers. The following table details the selling commissions incurred and reallowed related to the sale of shares of Common Stock:

(In thousands)	For the Period from July 13, 2011 (date of inception) to June 30, 2015
Total commissions paid to the Legacy Dealer Manager	$ 162,391
Less:	
Commissions to participating brokers	(110,150)
Reallowance to participating broker dealers	(16,455)
Net to the Legacy Dealer Manager	$ 35,786

As of June 30, 2015 , cumulative offering costs included $18.2 million paid to the Advisor and Legacy Dealer Manager to reimburse offering costs incurred. As of June 30, 2015 , we have incurred $188.1 million of total cumulative offering costs in connection with the issuance and dividend of our registered securities. The Advisor has elected to cap cumulative offering costs incurred by us, net of unpaid amounts, to 11.5% of gross Common Stock proceeds during the offering period. Cumulative offering costs, net of unpaid amounts, were less than the 11.5% threshold as of June 30, 2015 .

We have used and expect to continue to use substantially all of the net proceeds from our IPO to primarily acquire a diversified portfolio of income producing real estate properties, focusing primarily on acquiring freestanding, single-tenant bank branches, convenience stores, office, industrial and retail properties net leased to investment grade and other creditworthy tenants. We may also originate or acquire first mortgage loans secured by real estate. As of June 30, 2015 , we have used debt financing of approximately $933.5 million and the net proceeds from our IPO to purchase 311 properties with an aggregate base purchase price of $2.4 billion . We have used and may continue to use net proceeds from our IPO to fund a portion of our dividends. See *Dividends* in "Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Distributions" for further discussion.

Issuer Purchases of Equity Securities

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

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

The following table reflects the cumulative number of common shares repurchased as of December 31, 2014 and as of and for the six months ended June 30, 2015 :

	Number of Shares Repurchased	Average Price per Share
Cumulative repurchases as of December 31, 2014	99,969	$ 9.91
Six months ended June 30, 2015	124,012	9.74
Cumulative repurchases as of June 30, 2015	223,981	$ 9.83

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On August 7, 2015 , we amended and restated our OPP (the “Amended OPP”) with the OP and our Advisor to amend certain definitions related to performance measurement to equitably adjust for share issuances and share repurchases on a go-forward basis.

The description of the Amended OPP in this Quarterly Report on Form 10-Q is a summary and is qualified in its entirety by the terms of the Amended OPP attached as Exhibit 10.42 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

Item 6. Exhibits.

The exhibits listed on the Exhibit Index (following the signatures section of this report) are included, or incorporated by reference, in this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Global Net Lease, Inc.

By: /s/ Scott J. Bowman

Scott J. Bowman

Chief Executive Officer
(Principal Executive Officer)

By: /s/ Patrick J. Goulding

Patrick J. Goulding

Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Dated: August 10, 2015

EXHIBITS INDEX

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 (and are numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Description
3.1 [3]	Articles of Amendment to the Amended and Restated Charter of Global Net Lease, Inc. (f/k/a American Realty Capital Global Trust, Inc.), effective May 5, 2015.
3.2 [1]	Amended and Restated Bylaws of Global Net Lease, Inc.
4.1 [2]	Second Amended and Restated Agreement of Limited Partnership of Global Net Lease Operating Partnership, L.P., dated June 2, 2015, between Global Net Lease, Inc. and Global Net Lease Special Limited Partner, LLC.
10.1 [2]	Fourth Amended and Restated Advisory Agreement, dated June 2, 2015, among Global Net Lease, Inc., Global Net Lease Operating Partnership, L.P. and Global Net Lease Advisors, LLC.
10.3 [4]	Amended and Restated Incentive Restricted Share Plan of Global Net Lease, Inc. (f/k/a American Realty Capital Global Trust, Inc.)
10.39 [2]	Seventh Amendment to Credit Agreement, dated June 1, 2015, among Global Net Lease Operating Partnership, L.P., Global Net Lease, Inc., ARC Global Holdco, LLC, the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent for the lenders.
10.40 [2]	Contribution and Exchange Agreement, dated June 2, 2015, between Global Net Lease Operating Partnership, L.P. and Global Net Lease Advisors, LLC.
10.41 [2]	Listing Note Agreement, dated June 2, 2015, between Global Net Lease Operating Partnership, L.P. and Global Net Lease Special Limited Partner, LLC.
10.42 *	Amended and Restated 2015 Advisor Multi-Year Outperformance Agreement, dated August 7, 2015, among Global Net Lease, Inc., Global Net Lease Operating Partnership, L.P. and Global Net Lease Advisors, LLC.
10.43 *	Indemnification Agreement, dated June 2, 2015, among Global Net Lease, Inc., Scott J. Bowman, Peter M. Budko, Patrick J. Goulding, William M. Kahane, P. Sue Perrotty, Nicholas Radesca, Edward G. Rendell, Nicholas S. Schorsch, Abby M. Wenzel, Andrew Winer, Edward M. Weil, Jr., Global Net Lease Advisors, LLC, AR Capital, LLC and RCS Capital Corporation.
14.1 [1]	Amended and Restated Code of Business Conduct and Ethics
31.1 *	Certification of the Principal Executive Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14 (a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 *	Certification of the Principal Financial Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14 (a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32 *	Written statements of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 *	XBRL (eXtensible Business Reporting Language). The following materials from American Realty Capital Global Trust II, Inc.'s Quarterly Report on Form 10-Q for the three ended September 30, 2014, formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations and Comprehensive Loss, (iii) the Consolidated Statement of Changes in Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to the Consolidated Financial Statements. As provided in Rule 406T of Regulation S-T, this information in furnished and not filed for purpose of Sections 11 and 12 of the Securities Act of 1933, as amended, and Section 18 of the Exchange Act.

*Filed herewith

(1) Filed as an exhibit to the Company’s Current Report on Form 8-K filed with the SEC on June 3, 2015.
(2) Filed as an exhibit to the Company’s Current Report on Form 8-K filed with the SEC on June 2, 2015.
(3) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the SEC on May 7, 2015.
(4) Filed as an exhibit to the Company’s Current Report on Form 8-K filed with the SEC on April 9, 2015.

Exhibit 10.42

GLOBAL NET LEASE, INC.

AMENDED AND RESTATED

2015 ADVISOR MULTI-YEAR OUTPERFORMANCE AGREEMENT

This AMENDED AND RESTATED 2015 ADVISOR MULTI-YEAR OUTPERFORMANCE AGREEMENT (this "Agreement") made as of August 7, 2015 (the "Grant Date"), by and among GLOBAL NET LEASE INC., a Maryland corporation (the "Company"), its subsidiary GLOBAL NET LEASE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and GLOBAL NET LEASE ADVISORS, LLC, a Delaware limited liability company, the Company's manager (the "Advisor").

RECITALS

The Advisor provides services to the Company pursuant to the Amended and Restated Advisory Agreement by and among the Company, the Partnership and the Advisor, dated as of November 7, 2012, as amended from time to time.

The Board of Directors of the Company (the "Board"), or a committee of the Board designated by the Board, approved this Agreement to provide the Advisor with the incentive compensation described in this Agreement (the "Award") and thereby provide additional incentive for the Advisor to promote the progress and success of the business of the Company and its affiliates, including the Partnership. This Agreement evidences the Award and is subject to the terms and conditions set forth herein and in the Partnership Agreement (as defined herein).

NOW, THEREFORE, the Company, the Partnership and the Advisor agree as follows:

1. Administration. The Award granted under this Agreement shall be administered by a Committee appointed by the Board from time to time to administer the Plan (the "Committee"); provided that all powers of the Committee hereunder can be exercised by the full Board if the Board so elects. To the extent that no Committee exists that has the authority to administer this Agreement, the functions of the Committee shall be exercised by the Board and the Board shall be considered the "Committee" hereunder. The Committee shall have the discretionary authority to make all determinations regarding the Award, including, without limitation, the interpretation and construction of the Award and the determination of relevant facts; provided such determinations are made in good faith and are consistent with the purpose and intent of the Award. Except as expressly provided herein, no such action by the Committee shall adversely affect the rights of the Advisor to any earned and outstanding Award LTIP Units (as defined below). Subject to the terms hereof, all decisions made by the Committee shall be final, conclusive and binding on all persons, including the Company, the Partnership and the Advisor. No member of the Committee, nor any other member of the Board or any officer or employee of the Company acting on behalf of the Committee, shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Award, and all members of the Committee and each other member of the Board and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

2. Definitions . The definitions for certain terms used herein are set forth in Exhibit A .

3. Outperformance Award .

a. On June 2, 2015 (the " Grant Date ") the Advisor was granted the Award, consisting of 9,041,801 LTIP Units (the " **Award LTIP Units** "), which will be subject to forfeiture and vesting to the extent provided in this Section 3 and Section 4 hereof.

b. As soon as practicable following each Valuation Date, but as of such Valuation Date, the Committee will determine the applicable Annual Amount and divide the resulting dollar amount by the Common Stock Price calculated as of the applicable Valuation Date (appropriately adjusted to the extent that the Conversion Factor is greater or less than 1.0); the resulting number of unit equivalents determined for each Valuation Date referred to herein as the " **Annual OPP Unit Equivalent** ".

c. As soon as practicable following the Second Valuation Date, but as of the Second Valuation Date, the Committee will determine the Interim Amount and divide the resulting dollar amount by the Common Stock Price calculated as of the Second Valuation Date (appropriately adjusted to the extent that the Conversion Factor is greater or less than 1.0); the resulting number of unit equivalents determined as of the Second Valuation Date referred to herein as the " **Interim OPP Unit Equivalent** ".

d. As soon as practicable following the Final Valuation Date, but as of the Final Valuation Date, the Committee will:

(i) determine the Final Absolute TRS Amount;

(ii) determine the Final Relative TRS Amount;

(iii) determine the Total Outperformance Amount; and

(iv) divide the resulting dollar amounts by the Common Stock Price calculated as of the Final Valuation Date (appropriately adjusted to the extent that the Conversion Factor is greater or less than 1.0); the resulting number of unit equivalents determined as of the Final Valuation Date referred to herein as the " **Final OPP Unit Equivalent** ."

If the Total OPP Unit Equivalent is smaller than the number of Award LTIP Units previously issued to the Advisor, as of the Final Valuation Date, the Advisor shall forfeit the number of Award LTIP Units equal to the difference without payment of any consideration by the Partnership or the Company; thereafter the term Award LTIP Units will refer only to the Award LTIP Units that were not so forfeited and neither the Advisor nor any of its successors, members or their respective assigns or personal representatives will have any further rights or interests in the Award LTIP Units that were so forfeited. If the Total OPP Unit Equivalent is greater than the number of Award LTIP Units previously issued to the Advisor: (A) the Company shall cause the Partnership to issue to the Advisor, as of the Final Valuation Date, a number of additional LTIP Units equal to the difference; (B) such additional LTIP Units shall be added to the Award LTIP Units previously issued, if any, and thereby become part of this Award; and (C) the Company and the Partnership shall take such action as is necessary to accomplish the grant of such additional LTIP Units; provided that such issuance will be subject to the Advisor executing and delivering such documents, comparable to the documents executed and delivered in connection with this Agreement, as the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws. If the Total OPP Unit Equivalent is the same as the number of Award LTIP Units previously issued to the Advisor, then there will be no change to the number of Award LTIP Units under this Award.

e. If any of the Award LTIP Units have been earned based on performance as provided in Sections 3(b), (c) and (d), subject to Section 4 hereof, the Award LTIP Units shall become vested in the following amounts and at the following times, provided that the Continuous Service of the Advisor must continue through the applicable vesting date:

(i) one-third (1/3) on June 2, 2018;

(ii) one-third (1/3) on June 2, 2019; and

(iii) one-third (1/3) on June 2, 2020.

f. Within thirty (30) days following each vesting date under Section 3(e), the Advisor, in its sole discretion, shall be entitled to convert such Award LTIP Units that vested on such date into OP Units in accordance with the terms of the Partnership Agreement.

g. Any Award LTIP Units that do not become vested pursuant to Section 3(e) or Section 4 hereof shall, without payment of any consideration by the Partnership or the Company automatically and without notice be forfeited and be and become null and void, and neither the Advisor nor any of its successors, heirs, assigns, members or their respective assigns or personal representatives will thereafter have any further rights or interests in such forfeited Award LTIP Units.

4. Termination/Change of Control.

a. In the event the Company terminates the Advisor’s Continuous Service for any reason prior to the Final Valuation Date, the calculations provided in Sections 3(b), (c) and (d) hereof shall be performed as of the Valuation Date next following such termination (and if such Valuation Date is not the Final Valuation Date, on the Final Valuation Date as well) as if the termination of Continuous Service had not occurred and the Advisor shall be fully (100%) vested in the Total OPP Unit Equivalent as so determined. Within thirty (30) days of the date such calculations are completed, the Advisor, in its sole discretion, shall be entitled to convert the Total OPP Unit Equivalent so determined into OP Units in accordance with the terms of the Partnership Agreement.

b. In the event the Company terminates the Advisor's Continuous Service for any reason after the Final Valuation Date, any then unvested Award LTIP Units shall be fully (100%) vested and non-forfeitable hereunder. Within thirty (30) days of the date such termination, the Advisor, in its sole discretion, shall be entitled to convert such Award LTIP Units into OP Units in accordance with the terms of the Partnership Agreement.

c. In the event of a Change in Control prior to the Final Valuation Date, (i) the Advisor shall become fully (100%) vested in any Award LTIP Units that had been earned but were unvested prior to the Change in Control and within thirty (30) days of the date such Change in Control, the Advisor, in its sole discretion, shall be entitled to convert such Earned Annual and Interim OPP Units into OP Units or common stock in accordance with the terms of the Partnership Agreement; and (ii) the calculations provided in Sections 3(b), (c) and (d) hereof shall be performed as of the Valuation Date next following such Change in Control (and if such Valuation Date is not the Final Valuation Date, on the Final Valuation Date as well) and the Advisor shall be fully (100%) vested in the Total OPP Unit Equivalent as so determined and within thirty (30) days of the date such calculations are completed, the Advisor, in its sole discretion, shall be entitled to convert the number of Award LTIP Units so determined into OP Units in accordance with the terms of the Partnership Agreement.

d. In the event of a Change in Control after the Final Valuation Date, subject to the Continuous Service of the Advisor through the date of such Change in Control, any then unvested Award LTIP Units shall be fully (100%) vested and non-forfeitable hereunder. Within thirty (30) days of the date such Change in Control, the Advisor, in its sole discretion, shall be entitled to convert such Award LTIP Units into OP Units in accordance with the terms of the Partnership Agreement.

5. Rights of Advisor . The Advisor shall have no rights with respect to this Agreement (and the Award evidenced hereby) unless the Advisor shall have accepted this Agreement prior to the close of business on the Effective Date by signing and delivering to the Partnership a copy of this Agreement. Upon acceptance of this Agreement by the Advisor, the Partnership Agreement shall be amended to reflect the issuance to the Advisor of the Award LTIP Units so accepted. Thereupon, the Advisor shall have all the rights of a Limited Partner of the Partnership with respect to the Award LTIP Units, as set forth in the Partnership Agreement, subject, however, to the restrictions and conditions specified herein. Award LTIP Units constitute and shall be treated for all purposes as the property of the Advisor, subject to the terms of this Agreement and the Partnership Agreement.

6. Distributions .

a. The Advisor shall be entitled to receive distributions with respect to the Award LTIP Units to the extent provided for in the Partnership Agreement.

b. The LTIP Unit Distribution Participation Date (as defined in the Partnership Agreement) with respect to any Award LTIP Unit shall be the date as of which such Award LTIP Unit is earned pursuant to Sections 3(b), (c) and (d) , and as of such date, the Advisor will be entitled, for each Award LTIP Unit earned, to a priority distribution from the Partnership in cash equal to the difference of (i) the quotient of (A) the per unit amount of all distributions paid with respect to each OP Unit on or after the Effective Date and before the date on which such Award LTIP Unit is earned (other than those with respect to which an adjustment was made pursuant to Section 8 hereof) divided by (B) the Conversion Factor minus (ii) any amounts previously distributed by the Partnership with respect to such Award LTIP Unit.

c. All distributions paid with respect to Award LTIP Units shall be fully vested and non-forfeitable when paid, whether or not the underlying LTIP Units have been earned based on performance or have become vested based on the passage of time as provided in Section 3 or Section 4 hereof.

7. Restrictions on Transfer . Except as otherwise permitted by the Committee in its sole discretion, none of the Award LTIP Units granted hereunder nor any of the OP Units of the Partnership into which such Award LTIP Units may be converted (the " **Award OP Units** ") shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of, encumbered, whether voluntarily or by operation of law (each such action a " **Transfer** "). The transferee in any Transfers of Award LTIP Units or Award OP Units permitted by the Committee must agree in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and that subsequent transfers shall be prohibited except those in accordance with this Section 7 . Additionally, all Transfers of Award LTIP Units or Award OP Units must be in compliance with all applicable securities laws (including, without limitation, the Securities Act) and the applicable terms and conditions of the Partnership Agreement. In connection with any Transfer of Award LTIP Units or Award OP Units, the Partnership may require the Advisor to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of Award LTIP Units or Award OP Units not in accordance with the terms and conditions of this Section 7 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any Award LTIP Units or Award OP Units as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any Award LTIP Units or Award OP Units. Except as provided in this Section 7 , this Agreement is personal to the Advisor, is non-assignable and is not transferable in any manner, by operation of law or otherwise.

8. Changes in Capital Structure . If (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of the Company or other transaction similar thereto, (ii) any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, significant repurchases of stock, or other similar change in the capital stock of the Company, (iii) any cash dividend or other distribution to holders of share of Common Stock or OP Units shall be declared and paid other than in the ordinary course, or (iv) any other extraordinary corporate event shall occur that in each case in the good faith judgment of the Committee necessitates action by way of equitable or proportionate adjustment in the terms of this Agreement or the Award LTIP Units to avoid distortion in the value of this Award, the Committee shall make equitable or proportionate adjustment and take such other action as it deems necessary to maintain the Advisor's rights hereunder so that they are substantially proportionate to the rights existing under this Award and the terms of the Award LTIP Units prior to such event, including, without limitation: (A) interpretations of or modifications to any defined term in this Agreement; (B) adjustments in any calculations provided for in this Agreement, and (C) substitution of other awards. All adjustments made by the Committee shall be final, binding and conclusive.

9. Miscellaneous.

a. Amendments. This Agreement may be amended or modified only with the consent of the Company and the Partnership acting through the Committee; provided that any such amendment or modification that adversely affects the rights of the Advisor hereunder must be consented to by the Advisor to be effective as against it. Notwithstanding the foregoing, this Agreement may be amended in writing signed only by the Company and the Partnership to correct any errors or ambiguities in this Agreement and/or to make such changes that do not adversely affect the Advisor's rights hereunder.

b. Legend. The records of the Partnership evidencing the Award LTIP Units shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such Award LTIP Units are subject to restrictions as set forth herein and in the Partnership Agreement.

c. Compliance With Law. The Partnership and the Advisor will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no Award LTIP Units will become vested or be paid at a time that such vesting or payment would result in a violation of any such law.

d. Advisor Representations; Registration.

(i) The Advisor hereby represents and warrants that (A) it understands that it is responsible for consulting its own tax advisor with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Advisor is or by reason of this Award may become subject, to its particular situation; (B) the Advisor has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective Affiliates (as defined in the Partnership Agreement), employees, agents, consultants or advisors, in their capacity as such; (C) the Advisor provides services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as the Advisor believes to be necessary and appropriate to make an informed decision to accept this Award; (D) Award LTIP Units are subject to substantial risks; (E) the Advisor has been furnished with, and has reviewed and understands, information relating to this Award; (F) the Advisor has been afforded the opportunity to obtain such additional information as it deemed necessary before accepting this Award; and (G) the Advisor has had an opportunity to ask questions of representatives of the Partnership and the Company, or persons acting on their behalf, concerning this Award.

(ii) The Advisor hereby acknowledges that: (A) there is no public market for Award LTIP Units or Award OP Units and neither the Partnership nor the Company has any obligation or intention to create such a market; (B) sales of Award LTIP Units and Award OP Units are subject to restrictions under the Securities Act and applicable state securities laws; and (C) because of the restrictions on transfer or assignment of Award LTIP Units and Award OP Units set forth in the Partnership Agreement and in this Agreement, the Advisor may have to bear the economic risk of its ownership of the Award LTIP Units covered by this Award for an indefinite period of time.

e. Section 83(b) Election . In connection with each separate issuance of LTIP Units under this Award pursuant to Section 3 hereof, the Advisor may elect to include in gross income in the year of transfer the applicable Award LTIP Units pursuant to Section 83 (b) of the Code substantially in the form attached hereto as Exhibit B and to supply the necessary information in accordance with the regulations promulgated thereunder. The Advisor agrees to file such election (or to permit the Partnership to file such election on the Advisor's behalf) within thirty (30) days after the Grant Date with the IRS Service Center where the Advisor files its personal income tax returns, provide a copy of such election to the Partnership and the Company, and to file a copy of such election with the Advisor's U.S. federal income tax return for the taxable year in which the LTIP Units are awarded to the Advisor. So long as the Advisor holds any Award LTIP Units, the Advisor shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of LTIP Units as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

f. Severability . If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect. If any provision of this Agreement shall be held invalid in part, such invalidity shall in no way affect the rest of such provision not held so invalid, and the rest of such provision, together with all other provisions of this Agreement, shall to the full extent consistent with law continue in full force and effect.

g. Governing Law . This Agreement is made under, and will be construed in accordance with, the laws of State of Delaware, without giving effect to the principles of conflict of laws of such state.

h. No Obligation to Continue Service as a Consultant or Advisor . Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Advisor as a consultant, advisor or other service provider and this Agreement shall not interfere in any way with the right of the Company or any affiliate to terminate the Advisor's service relationship at any time.

i. Notices . Any notice to be given to the Company shall be addressed to the Secretary of the Company at 405 Park Avenue, 14 Floor, New York, New York, 10022, and any notice to be given the Advisor shall be addressed to the Advisor at the Advisor's address as it appears on the records of the Company, or at such other address as the Company or the Advisor may hereafter designate in writing to the other.

j. Withholding and Taxes . The Advisor shall be solely responsible for all federal, state, local, foreign, or other taxes or any taxes under the Federal Insurance Contributions Act with respect to this Award. Notwithstanding the foregoing, if at any time the Company or Partnership are required to withhold any such taxes, the Advisor shall make arrangements satisfactory to the Committee regarding the payment of any United States federal, state, local, foreign, or other taxes required by law to be withheld with respect to such amount; provided , however , that if any Award LTIP Units or Award OP Units are withheld (or returned), the number of Award LTIP Units or Award OP Units so withheld (or returned) shall be limited to the number which have a fair market value on the date of withholding equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Advisor.

k. Headings . The headings of paragraphs hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

l. Counterparts . This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

m. Successors and Assigns . This Agreement shall be binding upon and inure to the benefit of the parties hereto and any successors to the Company and the Partnership, on the one hand, and any successors to the Advisor, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Advisor.

n. Section 409A . This Agreement shall be construed, administered and interpreted in accordance with a good faith interpretation of Section 409A of the Code. Any provision of this Agreement that is inconsistent with Section 409A of the Code, or that may result in penalties under Section 409A of the Code, shall be amended, with the reasonable cooperation of the Advisor and the Company and the Partnership, to the extent necessary to exempt it from, or bring it into compliance with, Section 409A of the Code.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of date first written above.

GLOBAL NET LEASE, INC.

By: /s/ Scott J. Bowman
Name: Scott J. Bowman
Title: Chief Executive Officer

GLOBAL NET LEASE OPERATING PARTNERSHIP, L.P.

By: Global Net Lease, Inc., its general partner

By: /s/ Scott J. Bowman
Name: Scott J. Bowman
Title: Chief Executive Officer

GLOBAL NET LEASE ADVISORS, LLC

By: GLOBAL NET LEASE SPECIAL LIMITED PARTNER, LLC, its member

By: AR CAPITAL GLOBAL HOLDINGS, LLC, its member

By: AR CAPITAL, LLC, its member

By: /s/ William M. Kahane
Name: William M. Kahane
Title: Manager

[Signature Page to Outerperformance Award Agreement]

EXHIBIT A

DEFINITIONS

"**Additional Shares**" means (without double-counting), as of a particular date of determination, the sum of (A) the number of shares of Common Stock plus (B) the REIT Shares Amount for all Partnership Units (assuming that such Partnership Units were converted, exercised, exchanged or redeemed for OP Units as of such date of determination at the applicable conversion, exercise, exchange or redemption rate (or rate deemed applicable by the Committee if there is no such stated rate) and such OP Units were then tendered to the Partnership for redemption pursuant to the Partnership Agreement as of such date) other than those Partnership Units held by the Company, in the case of each (A) and (B), to the extent issued after the Effective Date and on or before such date of determination in a capital raising transaction, in exchange for assets or securities, or upon the acquisition of another entity; provided, that for the avoidance of doubt, this definition of "Additional Shares" shall exclude: (i) shares of Common Stock issued after the Effective Date upon exercise of stock options or upon the exchange (directly or indirectly) of LTIP Units or other Partnership Units issued to employees, non-employee directors, consultants, advisors or other persons or entities as incentive or other compensation, (ii) shares of Common Stock awarded after the Effective Date to employees or other persons or entities in exchange for services provided or to be provided to the Company or any of its affiliates, and (iii) all Initial Shares.

"**Adjusted Market Cap**" means (A) the Company's Initial Market Cap less an amount equal to the total number of Buyback Shares bought back during the measurement period multiplied by $9.50 with respect to the calculation of (i) the Annual Amount on the First Valuation Date, (ii) the Interim Amount, (iii) the Final Absolute TRS Amount and (iv) the Final Relative TRS Amount, and (B) the Total Shares as of the prior Valuation Date less any Buyback Shares bought back during the measurement period multiplied by the spot closing stock price on the prior Valuation Date, with respect to the calculation of the Annual Amount on the Second Valuation Date and the Final Valuation Date.

"**Annual Absolute TRS**" means, as of each Valuation Date, a dollar amount equal to four percent (4%) of the dollar amount by which, if any, the amount of the Company's Total Return, determined as of such date, exceeds the Threshold Amount, determined as of such date.

"**Annual Amount**" means, as of a Valuation Date, an amount equal to up to one and one quarter percent (1.25%) of the Company's Initial Market Cap based on the level of achievement of Annual Absolute TRS and Annual Relative TRS as of such Valuation Date for the period commencing on (A) the Effective Date with respect to the First Valuation Date and (B) the prior Valuation Date with respect to the Second Valuation Date and the Final Valuation Date.

"**Annual Relative TRS**" means, as of each Valuation Date, a dollar amount equal to four percent (4%) of any amount by which the Company's Total Return for the period commencing on (A) the Effective Date with respect to the First Valuation Date and (B) the prior Valuation Date with respect to the Second Valuation Date and the Final Valuation Date, exceeds the Relative Threshold Amount as of such date; provided, that the amount so earned will be subject to reduction in accordance with a ratable sliding scale factor so that (A) if the Company's TRS Percentage for the applicable period is six percent (6%) or more, there will be no reduction to Annual Relative TRS for such period; (B) Annual Relative TRS for such period shall be reduced by fifty percent (50%) if such TRS Percentage for the applicable period is zero percent (0%); (C) Annual Relative TRS for such period shall be reduced based on a linear interpolation between the foregoing reduction factors if the Company's TRS Percentage for the applicable period is between zero percent (0%) and six percent (6%) (*e.g.*, if the Company achieved a TRS Percentage of three percent (3%), the value of any award would be reduced by a factor of twenty-five percent (25%)); and (D) Annual Relative TRS for such period shall be reduced by one hundred percent (100%) if the TRS Percentage for the applicable period is below zero percent (0%).

"**Award OP Units**" has the meaning set forth in Section 7 hereof.

"**Award LTIP Units**" has the meaning set forth in Section 3(a) hereof.

"**Beneficial Owner**" has the meaning set forth in Rule 13d-3 under the Exchange Act.

"**Buyback Shares**" means (without double-counting), as of a particular date of determination, (A) shares of Common Stock or (B) the REIT Shares Amount for Partnership Units (assuming that such Partnership Units were converted, exercised, exchanged or redeemed for OP Units as of such date of determination at the applicable conversion, exercise, exchange or redemption rate (or rate deemed applicable by the Committee if there is no such stated rate) and such OP Units were then tendered to the Partnership for redemption pursuant to the Partnership Agreement as of such date), other than those Partnership Units held by the Company, in the case of each (A) and (B), to the extent repurchased by the Company after the Effective Date and on or before such date of determination in a stock buyback transaction or in a redemption of Partnership Units for cash pursuant to the Partnership Agreement; provided, that for the avoidance of doubt, this definition of "Buyback Shares" shall exclude: (i) shares of Common Stock issued after the Effective Date upon exercise of stock options or upon the exchange (directly or indirectly) of LTIP Units or other Partnership Units issued to employees, non-employee directors, consultants, advisors or other persons or entities as incentive or other compensation, and (ii) shares of Common Stock awarded after the Effective Date to employees or other persons or entities in exchange for services provided or to be provided to the Company or any of its affiliates.

"**Change of Control**" means and includes any of the following events:

(i) any Person is or becomes Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the then outstanding securities of the Company, excluding (A) any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (x) of subsection (ii) below and (B) any Person who becomes such a Beneficial Owner through the issuance of such securities with respect to purchases made directly from the Company; or

(ii) the consummation of a merger or consolidation of the Company with any other Person or the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (x) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) seventy percent (70%) or more of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (y) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the then outstanding securities of the Company; or

(iii) the consummation of a sale or disposition by the Company of all or substantially all of the assets of the Company; or

(iv) persons who, as of the Effective Date, constitute the Board (the " Incumbent Directors ") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board; provided that any person becoming a director of the Company subsequent to such date shall be considered an Incumbent Director if such person's election was approved by or such person was nominated for election a vote of at least a majority of the Incumbent Directors.

Notwithstanding the foregoing, with respect to any payment that is triggered upon a Change in Control, a transaction shall not be deemed to be a Change in Control unless such transaction constitutes a "change in control event" within the meaning of Section 409A of the Code.

" **Code** " means the Internal Revenue Code of 1986, as amended.

" **Common Stock** " means the Company's common stock, par value $0.01 per share, either currently existing or authorized hereafter.

" **Common Stock Price** " means, as of the Effective Date, $9.50 and, as of any other date, the average of the Fair Market Value of one share of Common Stock over the fifteen (15) consecutive trading days ending on, and including, such date (or, if such date is not a trading day, the most recent trading day immediately preceding such date); provided , however , that if such date is the date upon which a Transactional Change of Control occurs, the Common Stock Price as of such date shall be equal to the fair value, as determined by the Committee, of the total consideration paid or payable in the transaction resulting in the Transactional Change of Control for one share of Common Stock.

" **Continuous Service** " means the Advisor's continuous service as manager of the Company without interruption or termination.

" **Conversion Factor** " has the meaning set forth in the Partnership Agreement.

" **Effective Date** " means June 2, 2015.

“ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended.

“ **Fair Market Value** ” means, as of any given date, the fair market value of a security determined by the Committee using any reasonable method and in good faith (such determination will be made in a manner that satisfies Section 409A of the Code and in good-faith as required by Section 422(c)(1) of the Code); provided that (A) if such security is admitted to trading on a national securities exchange, the fair market value of such security on any date shall be the closing sale price reported for such security on the principal stock exchange or, if applicable, any other national exchange on which the security is traded or admitted to trading on such date on which a sale was reported; and (B) if such security is admitted to quotation on the National Association of Securities Dealers Automated Quotation System (“ NASDAQ ”) or a successor quotation system, the fair market value of such security on any such date shall be the average of the highest bid and lowest asked prices for such security on the system on such date on which both the bid and asked prices were reported.

“ **Final Absolute TRS Amount** ” means, as of the Final Valuation Date, a dollar amount equal to four percent (4%) of the dollar amount by which, if any, the amount of the Company’s Total Return, determined as of such date, exceeds the Threshold Amount, determined as of such date.

“ **Final Relative TRS Amount** ” means, as of the Final Valuation Date, a dollar amount equal to four percent (4%) of any amount by which the Company’s Total Return for the period commencing on the Effective Date through the Final Valuation Date exceeds the Relative Threshold Amount as of such date; provided , that the amount so earned will be subject to reduction in accordance with a ratable sliding scale factor so that (A) if the Company’s TRS Percentage for the period commencing on the Effective Date through the Final Valuation Date is eighteen percent (18%) or more, there will be no reduction to the Final Relative TRS Amount; (B) the Final Relative TRS Amount shall be reduced by fifty percent (50%) if such TRS Percentage is zero percent (0%); (C) the Final Relative TRS Amount shall be reduced based on a linear interpolation between the foregoing reduction factors if the Company’s TRS Percentage is between zero percent (0%) and eighteen percent (18%) (*e.g.,* if the Company achieved a TRS Percentage of nine percent (9%), the value of any award would be reduced by a factor of twenty-five percent (25%)); and (D) the Final Relative TRS Amount shall be reduced by one hundred percent (100%) if such TRS Percentage is below zero percent (0%).

“ **Final Valuation Date** ” means June 2, 2018.

“ **First Valuation Date** ” means June 2, 2016.

“ **Initial Market Cap** ” means (A) $9.50 multiplied by (B) the number of Initial Shares outstanding on the Effective Date.

“ **Initial Shares** ” means the sum of: (A) all shares of Common Stock outstanding as of the applicable date (including any vested and nonvested restricted shares of Common Stock issued under any other incentive plan maintained by the Company prior to the applicable date), plus (B) any shares of Common Stock representing the REIT Shares Amount for all Partnership Units outstanding as of the applicable date (assuming such Partnership Units were converted, exercised, exchange or redeemed for OP Units as of the applicable date at the applicable conversion, exercise, exchange or redemption rate (or rate deemed applicable by the Committee if there is no such stated rate) and such OP Units were then tendered to the Partnership for redemption pursuant to the Partnership Agreement as of such date) other than Partnership Units held by the Company; provided, that for the avoidance of doubt, this definition of “Initial Shares” shall exclude shares of Common Stock issuable upon exercise of stock options or upon the exchange (directly or indirectly) of LTIP Units or other Partnership Units issued to employees, non-employee directors, consultants, advisors or other persons or entities as incentive or other compensation.

“ **Interim Amount ”** means, as of the Second Valuation Date, an amount equal to (A) up to three percent (3%) of the Company’s Initial Market Cap, less (B) any amount of the Annual Amount achieved through the Second Valuation Date (such that the maximum level of achievement through the Second Valuation Date shall not exceed three percent (3%) of the Company’s Initial Market Cap), based on the level of achievement of: (x) a dollar amount equal to four percent (4%) of the dollar amount by which, if any, the amount of the Company’s Total Return, determined as of such date, exceeds the Threshold Amount, determined as of such date (“ **Interim Absolute TRS** ”), and (y) as of the Second Valuation Date, a dollar amount equal to four percent (4%) of any amount by which the Company’s Total Return for the period commencing on the Effective Date, exceeds the Relative Threshold Amount as of such date (“ **Interim Relative TRS** ”); provided , that the amount so earned will be subject to reduction in accordance with a ratable sliding scale factor so that (A) if the Company’s TRS Percentage for the applicable period is twelve percent (12%) or more, there will be no reduction to Interim Relative TRS for such period; (B) Interim Relative TRS for such period shall be reduced by fifty percent (50%) if such TRS Percentage for the applicable period is zero percent (0%); (C) Interim Relative TRS for such period shall be reduced based on a linear interpolation between the foregoing reduction factors if the Company’s TRS Percentage for the applicable period is between zero percent (0%) and twelve percent (12%) (*e.g.* , if the Company achieved a TRS Percentage of six percent (6%), the value of any award would be reduced by a factor of twenty-five percent (25%)); and (D) Interim Relative TRS for such period shall be reduced by one hundred percent (100%) if the TRS Percentage for the applicable period is below zero percent (0%). For the avoidance of doubt, any Interim Amount will be determined based on the formula in the preceding sentence which provides for a reduction for any Annual Amounts determined at the First and Second Valuation Dates, but not less than zero.

“ **LTIP Units ”** means LTIP Units, as such term is defined in the Partnership Agreement.

“ **Maximum Total Outperformance Amount** ” means five percent (5%) of the Company’s Initial Market Cap.

“ **OP Units** ” has the meaning set forth in the Partnership Agreement.

“ **Partnership Agreement** ” means the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of June 2, 2015, among the Company, as general partner, the Advisor, as a limited partner, and any limited partners that are admitted from time to time to the Partnership and listed on Schedule A thereto, as amended, restated or supplemented from time to time.

" **Partnership Units** " has the meaning set forth in the Partnership Agreement.

" **Peer Group** " means Chambers Street Properties, Gramercy Property Trust Inc., Lexington Realty Trust, Select Income REIT, and W. P. Carey Inc.

" **Peer Group Return Percentage** " means, the median percentage return to stockholders of the Peer Group (A) for the period commencing on the Effective Date and ending on the First Valuation Date with respect to the calculation of Annual Relative TRS for the First Valuation Date, (B) for the period commencing on the day after the prior Valuation Date and ending on the next Valuation Date with respect to calculation of Annual Relative TRS for the Second Valuation Date and the Final Valuation Date and (C) for the period commencing on the Effective Date and ending on the Second Valuation Date and the Final Valuation Date with respect to calculating Interim Relative TRS and Final Relative TRS, respectively; in each case as calculated by an independent consultant engaged by the Committee and as approved by the Committee in its reasonable discretion.

" **Person** " means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or "group" (as defined in the Exchange Act).

" REIT Shares Amount " has the meaning set forth in the Partnership Agreement.

" **Relative Threshold Amount** " means an amount calculated in the same manner as the Threshold Amount provided that instead of the TRS Percentage the Peer Group Return Percentage shall be utilized in calculating the Threshold Amount.

" **Second Valuation Date** " means June 2, 2017.

" **Securities Act** " means the Securities Act of 1933, as amended.

" **Subsidiary** " means any corporation or other entity (other than the Company) in which the Company has more than a fifty percent (50%) interest, either directly or indirectly.

" **Threshold Amount** " means for each measurement period an amount equal to the sum of: (A) the Adjusted Market Cap; plus (B) an amount equal to (i) seven percent (7%) multiplied by the Adjusted Market Cap for each annual measurement period, (ii) fourteen percent (14%) multiplied by the Adjusted Market Cap for purposes of calculating Interim Absolute TRS and (iii) twenty-one percent (21%) multiplied by the Adjusted Market Cap for purposes of calculating the Final Absolute TRS Amount; plus (C) the value of any Additional Shares issued since the start of the measurement period (based on the spot closing prices on the issuance dates of the Additional Shares) [1] ; plus (D) an amount equal to the proportional required return (based on a non-compounded daily rate of .0001918) from the issuance dates of the Additional Shares to the end of the measurement period on the values of the Additional Shares from (C) above; plus (E) the number of Buyback Shares bought back since the start of the measurement period multiplied by the spot closing price [2] at the start of the measurement period (or $9.50 for measurement periods beginning on the Effective Date); plus (F) an amount equal to the proportional required return (based on a non-compounded daily rate of .0001918) from the start of the measurement period to the buyback dates of the Buyback Shares on the values of the Buyback Shares from (E) above.

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[1] Note to Draft : AE notes that other prices could also be used for the Additional Shares.
[2] Note to Draft : AE notes that other prices could also be used for the Additional Shares.

“ **Total Outperformance Amount** ” means, as of the Final Valuation Date, a dollar amount equal to the algebraic sum of: (A) the Final Absolute TRS Amount, (B) the Final Relative TRS Amount, (C) the Annual Amounts determined as of each Valuation Date and (D) the Interim Amount; provided that (i) if the resulting amount is a negative number, the Total Outperformance Amount shall be zero, and (ii) in no event shall the Total Outperformance Amount exceed the Maximum Total Outperformance Amount. For the avoidance of doubt, the Total Outperformance Amount is based on (i) the Annual Amounts granted at the First, Second and Final Valuation Dates, plus (ii) the Interim Amount less any Annual Amounts granted at the First and Second Valuation Dates, plus (iii) the sum of the Final Absolute TRS Amount plus the Final Relative TRS Amount, less any Annual Amounts granted at the First, Second and Third Valuation Dates and any Interim Amount granted at the Second Valuation Date, but not less than zero and not greater than the Maximum Total Outperformance Amount.

“ **Total Return** ” means (without double-counting), as of a particular date of determination, a dollar amount equal to the sum of: (A) the Total Shares as of such date of determination multiplied by the Common Stock Price as of such date, plus (B) an amount equal to the sum of the total dividends and other distributions declared between the beginning of the applicable measuring period and such date of determination so long as the “ex-dividend” date with respect thereto falls prior to such date of determination (excluding dividends and distributions paid in the form of additional shares of Common Stock or Partnership Units), in respect of the Total Shares as of such date of determination (it being understood, for the avoidance of doubt, that such total dividends and distributions shall be calculated by reference to actual securities outstanding as of each record date with respect to each applicable dividend or distribution payment date, and not by multiplying the aggregate amount of distributions paid on one OP Unit that was outstanding as of the Effective Date between the Effective Date and such date of determination by the number of Total Shares as of the date of determination), plus (C) the value of any Buyback Shares redeemed from the start of the measurement period to the date of determination (based on the spot closing prices on the buyback dates of the Buyback Shares). [3]

“ **Total Shares** ” means (without double-counting), as of a particular date of determination, the algebraic sum of: (A) the Initial Shares, plus (B) the Additional Shares, minus (C) all Buyback Shares repurchased or redeemed between the Effective Date and such date of determination.

“ **Total OPP Unit Equivalent** ” means the aggregate of (i) the sum of Annual OPP Unit Equivalents and the Interim OPP Unit Equivalent (the “ **Earned Annual and Interim OPP Unit Equivalents** ”) and (ii) the excess (if any) of the Final OPP Unit Equivalent over the Earned Annual and Interim OPP Unit Equivalents.

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[3] Note to Draft : AE notes that other prices could also be used for the Buyback Shares.

“ **Transactional Change of Control** ” means (A) a Change of Control described in clause (i) of the definition thereof where the Person makes a tender offer for Common Stock, (B) a Change of Control described in clause (ii) of the definition thereof where the Company is not the surviving entity, or (C) a Change of Control described in clause (iii) of the definition thereof.

“ **Transfer** ” has the meaning set forth in Section 7 hereof.

“ **TRS Percentage** ” means, with respect to the Company, the cumulative total percentage return per share achieved by one share of the Company’s Common Stock for each applicable measurement period, assuming contemporaneous reinvestment in Common Stock of all dividends and other distributions, as calculated by an independent consultant engaged by the Committee, which calculation shall be approved by the Committee in its reasonable discretion.

“ **Valuation Date** ” means the First Valuation Date, the Second Valuation Date and the Final Valuation Date, as applicable.

EXHIBIT B

ELECTION TO INCLUDE IN GROSS INCOME IN YEAR OF TRANSFER OF PROPERTY PURSUANT TO SECTION 83(b) OF THE INTERNAL REVENUE CODE

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and taxpayer identification number of the undersigned are:

   Name: Global Net Lease Advisors, LLC (the " Taxpayer ")

   Address:

   ____

   Social Security No./Taxpayer Identification No.: ___-___-___

2. Description of property with respect to which the election is being made: _____ LTIP Units in Global Net Lease Operating Partnership, L.P. (the " Partnership ").

3. The date on which the LTIP Units were transferred is [•], 2015. The taxable year to which this election relates is calendar year 2015.

4. Nature of restrictions to which the LTIP Units are subject:

   (a) With limited exceptions, until the LTIP Units vest, the Taxpayer may not transfer in any manner any portion of the LTIP Units without the consent of the Partnership.

   (b) The Taxpayer's LTIP Units vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested LTIP Units are forfeited in accordance with the vesting provisions described in the Schedule attached hereto.

5. The fair market value at time of transfer (determined without regard to any restrictions other than restrictions which by their terms will never lapse) of the LTIP Units with respect to which this election is being made was $[•] per LTIP Unit.

6. The amount paid by the Taxpayer for the LTIP Units was $0 per LTIP Unit.

7. A copy of this statement has been furnished to the Partnership and Global Net Lease, Inc.

   Dated: ______________________ Name: ______________________

SCHEDULE TO EXHIBIT B

Vesting Provisions of LTIP Units

The LTIP Units are subject to time-based and performance-based vesting with the final vesting percentage equaling the product of the time-based vesting percentage and the performance-based vesting percentage. Performance-based vesting will be from 0% to 100% based (i) 50% on Global Net Lease, Inc.'s (the " Company's ") per-share total return to shareholders and (ii) 50% on total return against the total percentage return to stock holders of a specified peer group, in each case for the period from [•], 2016 to [•], 2018 (or earlier in certain circumstances). Under the time-based vesting hurdles, one-third (1/3) of the LTIP Units will vest on June 2, 2018, one-third (1/3) of the LTIP Units will vest on June 2, 2019, and the remaining one-third (1/3) of the LTIP Units will vest on June 2, 2020, provided that the Taxpayer continues its service relationship with the Company and the Partnership through such dates, subject to acceleration in the event of certain extraordinary transactions or termination of the Taxpayer's service relationship with the Company under specified circumstances. Unvested LTIP Units are subject to forfeiture in the event of failure to vest based on the determination of the performance-based percentage or the passage of time.

Exhibit 10.43

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (“Agreement”) is made and entered into as of the 2 nd day of June, 2015, by and between Global Net Lease, Inc., a Maryland corporation (the “Company”), and Scott J. Bowman, Peter M. Budko, Patrick J. Goulding, William M. Kahane, P. Sue Perrotty, Nicholas Radesca, Edward G. Rendell, Nicholas S. Schorsch, Abby M. Wenzel, Andrew Winer, Edward M. Weil, Jr., Global Net Lease Advisors, LLC, AR Capital, LLC and RCS Capital Corporation (each, an “Indemnitee”).

WHEREAS, at the request of the Company, Indemnitee currently serves as a director, officer or service provider of the Company and may, therefore, be subjected to claims, suits or proceedings arising as a result of his or her service; and

WHEREAS, as an inducement to Indemnitee to serve or continue to serve as a director, officer or service provider, the Company has agreed to indemnify Indemnitee and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the maximum extent permitted by law; and

WHEREAS, the parties to this Agreement are parties to that certain Indemnification Agreement dated as of December 31, 2014 and, in the case of P. Sue Perrotty, that certain Indemnification Agreement dated as of March 20, 2015 (together, the “Existing Agreements”); and

WHEREAS, the parties to this Agreement desire that all of their rights and obligations to one another under the Existing Agreements be superseded and replaced with the rights and obligations provided herein; and

WHEREAS, the parties by this Agreement desire to set forth their agreement regarding indemnification and advance of expenses;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions . For purposes of this Agreement:

(a) “Change in Control” means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred if, after the Effective Date (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 15% or more of the combined voting power of all of the Company’s then-outstanding securities entitled to vote generally in the election of directors without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such person’s attaining such percentage interest; (ii) the Company is a party to a merger, consolidation, sale of assets, plan of liquidation or other reorganization not approved by at least two-thirds of the members of the Board of Directors then in office, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) at any time, a majority of the members of the Board of Directors are not individuals (A) who were directors as of the Effective Date or (B) whose election by the Board of Directors or nomination for election by the Company’s stockholders was approved by the affirmative vote of at least two-thirds of the directors then in office who were directors as of the Effective Date or whose election or nomination for election was previously so approved.

(b) “Corporate Status” means the status of a person as a present or former director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company. As a clarification and without limiting the circumstances in which Indemnitee may be serving at the request of the Company, service by Indemnitee shall be deemed to be at the request of the Company: (i) if Indemnitee serves or served as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise (1) of which a majority of the voting power or equity interest is owned directly or indirectly by the Company or (2) the management of which is controlled directly or indirectly by the Company and (ii) if, as a result of Indemnitee’s service to the Company or any of its affiliated entities, Indemnitee is subject to duties by, or required to perform services for, an employee benefit plan or its participants or beneficiaries, including as deemed fiduciary thereof.

(c) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification and/or advance of Expenses is sought by Indemnitee.

(d) “Effective Date” means the date set forth in the first paragraph of this Agreement.

(e) “Expenses” means any and all reasonable and out-of-pocket attorneys’ fees and costs, retainers, court costs, arbitration and mediation costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties and any other disbursements or expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in or otherwise participating in a Proceeding. Expenses shall also include Expenses incurred in connection with any appeal resulting from any Proceeding including, without limitation, the premium for, security for and other costs relating to any cost bond supersedeas bond or other appeal bond or its equivalent.

(f) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements), or (ii) any other party to or participant or witness in the Proceeding giving rise to a claim for indemnification or advance of Expenses hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(g) “Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing, claim, demand, discovery request or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative (formal or informal) nature, including any appeal therefrom, except one pending or completed on or before the Effective Date, unless otherwise specifically agreed in writing by the Company and Indemnitee. If Indemnitee reasonably believes that a given situation may lead to or culminate in the institution of a Proceeding, such situation shall also be considered a Proceeding.

Section 2. Services by Indemnitee. Indemnitee will serve as a director, officer or service provider of the Company. However, this Agreement shall not impose any independent obligation on Indemnitee or the Company to continue Indemnitee’s service to the Company. This Agreement shall not be deemed an employment contract between the Company (or any other entity) and Indemnitee.

Section 3. Existing Agreement Superseded. The parties hereto agree that all of their rights and obligations under the Existing Agreement are hereby replaced and superseded by the rights and obligations provided hereunder.

Section 4. General. The Company shall indemnify, and advance Expenses to, Indemnitee (a) as provided in this Agreement and (b) otherwise to the maximum extent permitted by Maryland law in effect on the Effective Date and as amended from time to time; provided, however, that no change in Maryland law shall have the effect of reducing the benefits available to Indemnitee hereunder based on Maryland law as in effect on the Effective Date. The rights of Indemnitee provided in this Section 4 shall include, without limitation, the rights set forth in the other sections of this Agreement, including any additional indemnification permitted by the Maryland General Corporation Law (the “MGCL”), including, without limitation, Section 2-418(g) of the MGCL.

Section 5. Standard for Indemnification . If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall indemnify Indemnitee against all judgments, penalties, fines and amounts paid in settlement and all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with any such Proceeding unless it is established by clear and convincing evidence that (a) the act or omission of Indemnitee was material to the matter giving rise to the Proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) Indemnitee actually received an improper personal benefit in money, property or services or (c) in the case of any criminal Proceeding, Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

Section 6. Certain Limits on Indemnification . Notwithstanding any other provision of this Agreement (other than Section 7), Indemnitee shall not be entitled to:

(a) indemnification hereunder if the Proceeding was one by or in the right of the Company and Indemnitee is adjudged, in a final adjudication of the Proceeding not subject to further appeal, to be liable to the Company;

(b) indemnification hereunder if Indemnitee is adjudged, in a final adjudication of the Proceeding not subject to further appeal, to be liable on the basis that personal benefit was improperly received in any Proceeding charging improper personal benefit to Indemnitee, whether or not involving action in the Indemnitee's Corporate Status; or

(c) indemnification or advance of Expenses hereunder if the Proceeding was brought by Indemnitee, unless: (i) the Proceeding was brought to enforce indemnification under this Agreement, and then only to the extent in accordance with and as authorized by Section 13 of this Agreement, or (ii) the Company's charter or Bylaws, a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors or an agreement approved by the Board of Directors to which the Company is a party expressly provide otherwise.

Section 7. Court-Ordered Indemnification . Notwithstanding any other provision of this Agreement, a court of appropriate jurisdiction, upon application of Indemnitee and such notice as the court shall require, may order indemnification of Indemnitee by the Company in the following circumstances:

(a) if such court determines that Indemnitee is entitled to reimbursement under Section 2-418(d)(1) of the MGCL, the court shall order indemnification, in which case Indemnitee shall be entitled to recover the Expenses of securing such reimbursement; or

(b) if such court determines that Indemnitee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not Indemnitee (i) has met the standards of conduct set forth in Section 2-418(b) of the MGCL or (ii) has been adjudged liable for receipt of an improper personal benefit under Section 2-418(c) of the MGCL, the court may order such indemnification contemplated by Section 2-418(d)(2)(ii) of the MGCL.

Section 8. Indemnification for Expenses of an Indemnitee Who is Wholly or Partly Successful . Notwithstanding any other provision of this Agreement, and without limiting any such provision, to the extent that Indemnitee was or is, by reason of his or her Corporate Status, made a party to (or otherwise becomes a participant in) any Proceeding and is successful, on the merits or otherwise, in the defense of such Proceeding, Indemnitee shall be indemnified for all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee under this Section 8 for all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each such claim, issue or matter, allocated on a reasonable and proportionate basis. For purposes of this Section 8, and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 9. Advance of Expenses for an Indemnitee . If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall, without requiring a preliminary determination of Indemnitee's ultimate entitlement to indemnification hereunder, advance all Expenses incurred by or on behalf of Indemnitee in connection with such Proceeding. The Company shall make such advance within ten days after the receipt by the Company of a statement or statements requesting such advance from time to time, whether prior to or after final disposition of such Proceeding and may be in the form of, in the reasonable discretion of the Indemnitee (but without duplication) (a) payment of such Expenses directly to third parties on behalf of Indemnitee, (b) advance of funds to Indemnitee in an amount sufficient to pay such Expenses or (c) reimbursement to Indemnitee for Indemnitee's payment of such Expenses. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written affirmation by Indemnitee and a written undertaking by or on behalf of Indemnitee, in substantially the form attached hereto as Exhibit A or in such form as may be required under applicable law as in effect at the time of the execution thereof. To the extent that Expenses advanced to Indemnitee do not relate to a specific claim, issue or matter in the Proceeding, such Expenses shall be allocated on a reasonable and proportionate basis. The undertaking required by this Section 9 shall be an unlimited general obligation by or on behalf of Indemnitee and shall be accepted without reference to Indemnitee's financial ability to repay such advanced Expenses and without any requirement to post security therefor.

Section 10. Indemnification and Advance of Expenses as a Witness or Other Participant . Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is or may be, by reason of Indemnitee's Corporate Status, made a witness or otherwise asked to participate in any Proceeding, whether instituted by the Company or any other person, and to which Indemnitee is not a party, Indemnitee shall be advanced and indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith within ten days after the receipt by the Company of a statement or statements requesting any such advance or indemnification from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee. In connection with any such advance of Expenses, the Company may require Indemnitee to provide an undertaking and affirmation substantially in the form attached hereto as Exhibit A.

Section 11. Procedure for Determination of Entitlement to Indemnification .

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary or appropriate to determine whether and to what extent Indemnitee is entitled to indemnification. Indemnitee may submit one or more such requests from time to time and at such time(s) as Indemnitee deems appropriate in Indemnitee's sole discretion. The officer of the Company receiving any such request from Indemnitee shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 11(a) above, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall promptly be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, which Independent Counsel shall be selected by Indemnitee and approved by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL, which approval shall not be unreasonably withheld; or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors or, if such a quorum cannot be obtained, then by a majority vote of a duly authorized committee of the Board of Directors consisting solely of one or more Disinterested Directors, (B) if Independent Counsel has been selected by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL and approved by Indemnitee, which approval shall not be unreasonably withheld or delayed, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee or (C) if so directed by the Board of Directors, by the stockholders of the Company, other than directors or officers who are parties to the Proceeding. If it is so determined that Indemnitee is entitled to indemnification, the Company shall make payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary or appropriate to such determination in the discretion of the Board of Directors or Independent Counsel if retained pursuant to clause (ii)(B) of this Section 11(b). Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company shall indemnify and hold Indemnitee harmless therefrom.

(c) The Company shall pay the reasonable fees and expenses of Independent Counsel, if one is appointed.

Section 12. Presumptions and Effect of Certain Proceedings .

(a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall have the burden of overcoming that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, upon a plea of nolo contendere or its equivalent, or entry of an order of probation prior to judgment, does not create a presumption that Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

(c) The knowledge and/or actions, or failure to act, of any other director, officer, employee or agent of the Company or any other director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise shall not be imputed to Indemnitee for purposes of determining any other right to indemnification under this Agreement.

Section 13. Remedies of Indemnitee .

(a) If (i) a determination is made pursuant to Section 11(b) of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advance of Expenses is not timely made pursuant to Sections 9 or 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 11(b) of this Agreement within 60 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 8 or 10 of this Agreement within ten days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to any other section of this Agreement or the charter or Bylaws of the Company is not made within ten days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication in an appropriate court located in the State of Maryland, or in any other court of competent jurisdiction, of Indemnitee’s entitlement to such indemnification or advance of Expenses. Alternatively, Indemnitee, at Indemnitee’s option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence a proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 13(a); provided, however, that the foregoing clause shall not apply to a proceeding brought by Indemnitee to enforce his or her rights under Section 8 of this Agreement. Except as set forth herein, the provisions of Maryland law (without regard to its conflicts of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration.

(b) In any judicial proceeding or arbitration commenced pursuant to this Section 13, Indemnitee shall be presumed to be entitled to indemnification or advance of Expenses, as the case may be, under this Agreement and the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advance of Expenses, as the case may be. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 13, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 9 of this Agreement until a final determination is made with respect to Indemnitee’s entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed). The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all of the provisions of this Agreement.

(c) If a determination shall have been made pursuant to Section 11(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification that was not disclosed in connection with the determination.

(d) In the event that Indemnitee is successful in seeking, pursuant to this Section 13, a judicial adjudication of or an award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company for, any and all Expenses actually and reasonably incurred by him or her in such judicial adjudication or arbitration. If it shall be determined in such judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advance of Expenses sought, the Expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

(e) Interest shall be paid by the Company to Indemnitee at the maximum rate allowed to be charged for judgments under the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for amounts which the Company pays or is obligated to pay for the period (i) commencing with either the tenth day after the date on which the Company was requested to advance Expenses in accordance with Sections 9 or 10 of this Agreement or the 60th day after the date on which the Company was requested to make the determination of entitlement to indemnification under Section 11(b) of this Agreement, as applicable, and (ii) and ending on the date such payment is made to Indemnitee by the Company.

Section 14. Defense of the Underlying Proceeding .

(a) Indemnitee shall notify the Company promptly in writing upon being served with any summons, citation, subpoena, complaint, indictment, request or other document relating to any Proceeding which may result in the right to indemnification or the advance of Expenses hereunder and shall include with such notice a description of the nature of the Proceeding and a summary of the facts underlying the Proceeding. The failure to give any such notice shall not disqualify Indemnitee from the right, or otherwise affect in any manner any right of Indemnitee, to indemnification or the advance of Expenses under this Agreement unless the Company's ability to defend in such Proceeding or to obtain proceeds under any insurance policy is materially and adversely prejudiced thereby, and then only to the extent the Company is thereby actually so prejudiced.

(b) Subject to the provisions of the last sentence of this Section 14(b) and of Section 14(c) below, the Company shall have the right to defend Indemnitee in any Proceeding which may give rise to indemnification hereunder; provided, however, that the Company shall notify Indemnitee of any such decision to defend within 15 calendar days following receipt of notice of any such Proceeding under Section 14(a) above. The Company shall not, without the prior written consent of Indemnitee, which shall not be unreasonably withheld or delayed, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnitee, (ii) does not include, as an unconditional term thereof, the full release of Indemnitee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnitee, or (iii) would impose any Expense, judgment, fine, penalty or limitation on Indemnitee. This Section 14(b) shall not apply to a Proceeding brought by Indemnitee under Section 13 of this Agreement.

(c) Notwithstanding the provisions of Section 14(b) above, if in a Proceeding to which Indemnitee is a party by reason of Indemnitee's Corporate Status, (i) Indemnitee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld or delayed, that Indemnitee may have separate defenses or counterclaims to assert with respect to any issue which may not be consistent with other defendants in such Proceeding, (ii) Indemnitee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld or delayed, that an actual or apparent conflict of interest or potential conflict of interest exists between Indemnitee and the Company, or (iii) if the Company fails to assume the defense of such Proceeding in a timely manner, Indemnitee shall be entitled to be represented by separate legal counsel of Indemnitee's choice, subject to the prior approval of the Company, which approval shall not be unreasonably withheld or delayed, at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding to deny or to recover from Indemnitee the benefits intended to be provided to Indemnitee hereunder, Indemnitee shall have the right to retain counsel of Indemnitee's choice, subject to the prior approval of the Company, which approval shall not be unreasonably withheld or delayed, at the expense of the Company (subject to Section 13(d) of this Agreement), to represent Indemnitee in connection with any such matter.

Section 15. Non-Exclusivity; Survival of Rights; Subrogation .

(a) The rights of indemnification and advance of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the charter or Bylaws of the Company, any agreement or a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors, or otherwise. Unless consented to in writing by Indemnitee, no amendment, alteration or repeal of the charter or Bylaws of the Company, this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal, regardless of whether a claim with respect to such action or inaction is raised prior or subsequent to such amendment, alteration or repeal. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right or remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder, or otherwise, shall not prohibit the concurrent assertion or employment of any other right or remedy.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

Section 16. Insurance . (a) The Company will use its reasonable best efforts to acquire directors and officers liability insurance, on terms and conditions deemed appropriate by the Board of Directors, with the advice of counsel, covering Indemnitee or any claim made against Indemnitee by reason of Indemnitee's Corporate Status and covering the Company for any indemnification or advance of Expenses made by the Company to Indemnitee for any claims made against Indemnitee by reason of Indemnitee's Corporate Status. In the event of a Change in Control, the Company shall maintain in force any and all directors and officers liability insurance policies that were maintained by the Company immediately prior to the Change in Control for a period of six years with the insurance carrier or carriers and through the insurance broker in place at the time of the Change in Control; provided, however, (i) if the carriers will not offer the same policy and an expiring policy needs to be replaced, a policy substantially comparable in scope and amount shall be obtained and (ii) if any replacement insurance carrier is necessary to obtain a policy substantially comparable in scope and amount, such insurance carrier shall have an AM Best rating that is the same or better than the AM Best rating of the existing insurance carrier; provided, further, however, in no event shall the Company be required to expend in the aggregate in excess of 250% of the annual premium or premiums paid by the Company for directors and officers liability insurance in effect on the date of the Change in Control. In the event that 250% of the annual premium paid by the Company for such existing directors and officers liability insurance is insufficient for such coverage, the Company shall spend up to that amount to purchase such lesser coverage as may be obtained with such amount.

(b) Without in any way limiting any other obligation under this Agreement, the Company shall indemnify Indemnitee for any payment by Indemnitee which would otherwise be indemnifiable hereunder arising out of the amount of any deductible or retention and the amount of any excess of the aggregate of all judgments, penalties, fines, settlements and Expenses incurred by Indemnitee in connection with a Proceeding over the coverage of any insurance referred to in Section 16(a). The purchase, establishment and maintenance of any such insurance shall not in any way limit or affect the rights or obligations of the Company or Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights or obligations of the Company under any such insurance policies. If, at the time the Company receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise) the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

(c) The Indemnitee shall cooperate with the Company or any insurance carrier of the Company with respect to any Proceeding.

Section 17. Coordination of Payments . The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as Expenses hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 18. Contribution . If the indemnification provided in this Agreement is unavailable in whole or in part and may not be paid to Indemnitee for any reason, other than for failure to satisfy the standard of conduct set forth in Section 5 or due to the provisions of Section 6, then, in respect to any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), to the fullest extent permissible under applicable law, the Company, in lieu of indemnifying and holding harmless Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for Expenses, judgments, penalties, and/or amounts paid or to be paid in settlement, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

Section 19. Reports to Stockholders . To the extent required by the MGCL, the Company shall report in writing to its stockholders the payment of any amounts for indemnification of, or advance of Expenses to, Indemnitee under this Agreement arising out of a Proceeding by or in the right of the Company with the notice of the meeting of stockholders of the Company next following the date of the payment of any such indemnification or advance of Expenses or prior to such meeting.

Section 20. Duration of Agreement; Binding Effect .

(a) This Agreement shall continue until and terminate on the later of (i) the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company and (ii) the date that Indemnitee is no longer subject to any actual or possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 13 of this Agreement).

(b) The indemnification and advance of Expenses provided by, or granted pursuant to, this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(c) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(d) The Company and Indemnitee agree that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which Indemnitee may be entitled. Indemnitee shall further be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertakings in connection therewith. The Company acknowledges that, in the absence of a waiver, a bond or undertaking may be required of Indemnitee by a court, and the Company hereby waives any such requirement of such a bond or undertaking.

Section 21. Severability. If any provision or provisions of this Agreement shall be held to be invalid, void, illegal or otherwise unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 22. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. One such counterpart signed by the party against whom enforceability is sought shall be sufficient to evidence the existence of this Agreement.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor, unless otherwise expressly stated, shall such waiver constitute a continuing waiver.

Section 25. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, on the day of such delivery, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee, to the address set forth on the signature page hereto.

(b) If to the Company, to:

Global Net Lease, Inc.
405 Park Avenue, 14th Floor
New York, NY 10022
Attn: General Counsel

or to such other address as may have been furnished in writing to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 26. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without regard to its conflicts of laws rules.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

GLOBAL NET LEASE, INC.

By: /s/ Scott J. Bowman
Name: Scott J. Bowman
Title: Chief Executive Officer

INDEMNITEE

By: /s/ Scott J. Bowman
Name: Scott J. Bowman

INDEMNITEE

By: /s/ Peter M. Budko
Name: Peter M. Budko

INDEMNITEE

By: /s/ Patrick J. Goulding
Name: Patrick J. Goulding

INDEMNITEE

By: /s/ William M. Kahane
Name: William M. Kahane

INDEMNITEE

By: /s/ P. Sue Perrotty
Name: P. Sue Perrotty

INDEMNITEE

By: /s/ Nicholas Radesca
Name: Nicholas Radesca

INDEMNITEE

/s/ Edward G. Rendell
Name: Edward G. Rendell

INDEMNITEE

By: /s/ Nicholas S. Schorsch
Name: Nicholas S. Schorsch

INDEMNITEE

By: /s/ Edward M. Weil, Jr.
Name: Edward M. Weil, Jr.

INDEMNITEE

By: /s/ Abby M. Wenzel
Name: Abby M. Wenzel

INDEMNITEE

By: /s/ Andrew Winer
Name: Andrew Winer

INDEMNITEE

GLOBAL NET LEASE ADVISORS, LLC

By: GLOBAL NET LEASE SPECIAL LIMITED PARTNER, LLC, its managing member
By: AR Capital Global Holdings, LLC, its sole member
By: AR Capital, LLC, its sole member

By: /s/ William M. Kahane
Name: William M. Kahane
Title: Manager

INDEMNITEE

AR CAPITAL, LLC

By: /s/ William M. Kahane
Name: William M. Kahane
Title: Manager

INDEMNITEE

RCS CAPITAL CORPORATION

By: /s/ James A. Tanaka
Name: James A. Tanaka
Title: Authorized Signatory

EXHIBIT A

AFFIRMATION AND UNDERTAKING TO REPAY EXPENSES ADVANCED

To: The Board of Directors of Global Net Lease, Inc.

Re: Affirmation and Undertaking

Ladies and Gentlemen:

This Affirmation and Undertaking is being provided pursuant to that certain Indemnification Agreement, dated the 2nd day of June, 2015, by and between Global Net Lease, Inc., a Maryland corporation (the "Company"), and the undersigned Indemnitee (the "Indemnification Agreement"), pursuant to which I am entitled to advance of Expenses in connection with **[Description of Proceeding]** (the "Proceeding").

Terms used herein and not otherwise defined shall have the meanings specified in the Indemnification Agreement.

I am subject to the Proceeding by reason of my Corporate Status or by reason of alleged actions or omissions by me in such capacity. I hereby affirm my good faith belief that at all times, insofar as I was involved as a director of the Company, in any of the facts or events giving rise to the Proceeding, I (1) did not act with bad faith or active or deliberate dishonesty, (2) did not receive any improper personal benefit in money, property or services and (3) in the case of any criminal proceeding, had no reasonable cause to believe that any act or omission by me was unlawful.

In consideration of the advance by the Company for Expenses incurred by me in connection with the Proceeding (the "Advanced Expenses"), I hereby agree that if, in connection with the Proceeding, it is established that (1) an act or omission by me was material to the matter giving rise to the Proceeding and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty or (2) I actually received an improper personal benefit in money, property or services or (3) in the case of any criminal proceeding, I had reasonable cause to believe that the act or omission was unlawful, then I shall promptly reimburse the portion of the Advanced Expenses, relating to the claims, issues or matters in the Proceeding as to which the foregoing findings have been established.

IN WITNESS WHEREOF, I have executed this Affirmation and Undertaking on this _____ day of _______________, 20____.

____
Name:

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Scott J. Bowman , certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Net Lease, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 10th day of August, 2015

/s/ Scott J. Bowman

Scott J. Bowman
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Patrick J. Goulding, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Global Net Lease, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 10th day of August, 2015

/s/ Patrick J. Goulding

Patrick J. Goulding

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32

SECTION 1350 CERTIFICATIONS

This Certificate is being delivered pursuant to the requirements of Section 1350 of Chapter 63 (Mail Fraud) of Title 18 (Crimes and Criminal Procedures) of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

The undersigned, who are the Chief Executive Officer and Chief Financial Officer of Global Net Lease, Inc. (the "Company"), each hereby certify as follows:

The quarterly report on Form 10-Q of the Company, which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in this quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 10th day of August, 2015

/s/ Scott J. Bowman

Scott J. Bowman
Chief Executive Officer
(Principal Executive Officer)

/s/ Patrick J. Goulding

Patrick J. Goulding

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)