

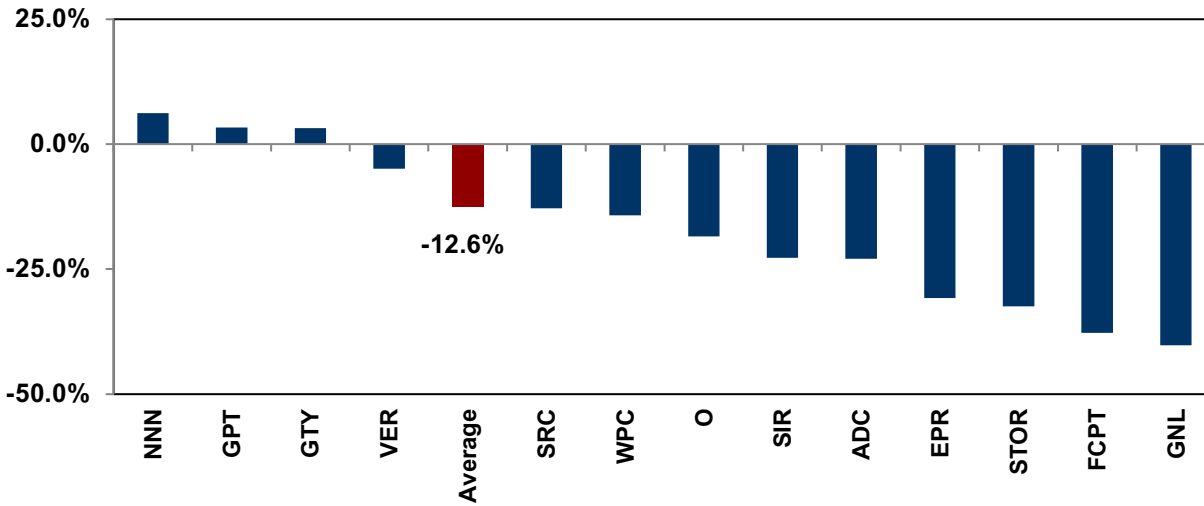
**Triple-Net REIT Comp Sheets 10/16/2016**

- **REITs Rebound, Sector Slightly Outperforms.** The overall REIT sector gained 120 bps this past week and is +7.2% YTD. The triple-net sector slightly outperformed, gaining 140 bps for the week, and is +25.5% YTD.
  - **Dividend Yield.** Triple-net REITs are trading at 15.8x 2017E FFO as compared to equity REITs trading at 16.6x. The current dividend yield for the sector is 4.92% vs. the REIT sector dividend yield of 3.93%. The 99 bps spread is 64 bps below the long-term average spread of 163 bps.
- 
- **Short Interest -12.6% for Group.** Short interest decreased 12.6% this quarter, or 0.9 million shares/company, to 2.8% of the float. Notable short interest decreasers this quarter were Global Net Lease (GNL, \$7.65, Not Covered) -40.2%, Four Corners Property Trust (FCPT, \$20.46, Not Covered) -37.8%, and Store Capital Corporation (STOR, \$28.02, Buy) -32.5%. GNL has been the underperformer through 9/30 (+2.6% vs. the RMS +11.9%), has the highest dividend yield in the sector (9.3%), and had a 189% increase in short interest in 2Q, which, to some extent, was due to its very high exposure to NOI derived from Europe. FCPT is viewed as one of the defensive names in the group and is one of the top performing YTD. STOR had one of the largest short interest increases in 2Q (138.9%) and, more importantly, investors became less concerned about Gander Mountain. Notable increasers were National Retail Properties (NNN, \$47.12, Buy) +6.2% and Gramercy Property Trust (GPT, \$9.05, Buy) +3.3%. NNN trades at one of the highest multiples in the group and its well-respected CEO Craig Macnab announced his retirement at the end of the quarter. GPT was one of the better performing names in the group in 3Q. Days to cover for the group decreased to 4.5 days, down from 4.7 days last quarter.
  - **Short Interest Leaders.** Realty Income Corp. (O, \$62.04, Buy) and NNN lead the group with the highest short interest at 6.2% and 5.3%, respectively. Both O and NNN are the quality names in the group that trade at the highest multiple and highest premium to NAV, among the lowest dividend yields (3.9%), and are therefore shorted against a handful of names in the sector. VEREIT (VER, \$9.70, Hold) and W.P. Carey (WPC, \$61.80, Not Covered) have the lowest short interests in the group at 1.5% or below. VER has a low short interest as it continues to execute on its business plan, raised equity in August, and has an above-average dividend yield (5.7%). WPC continues to underperform YTD after underperforming last year (-10.4% vs. the RMS +2.5%) and pays an above average dividend (6.4%).

Priced as of close 10-14-2016.

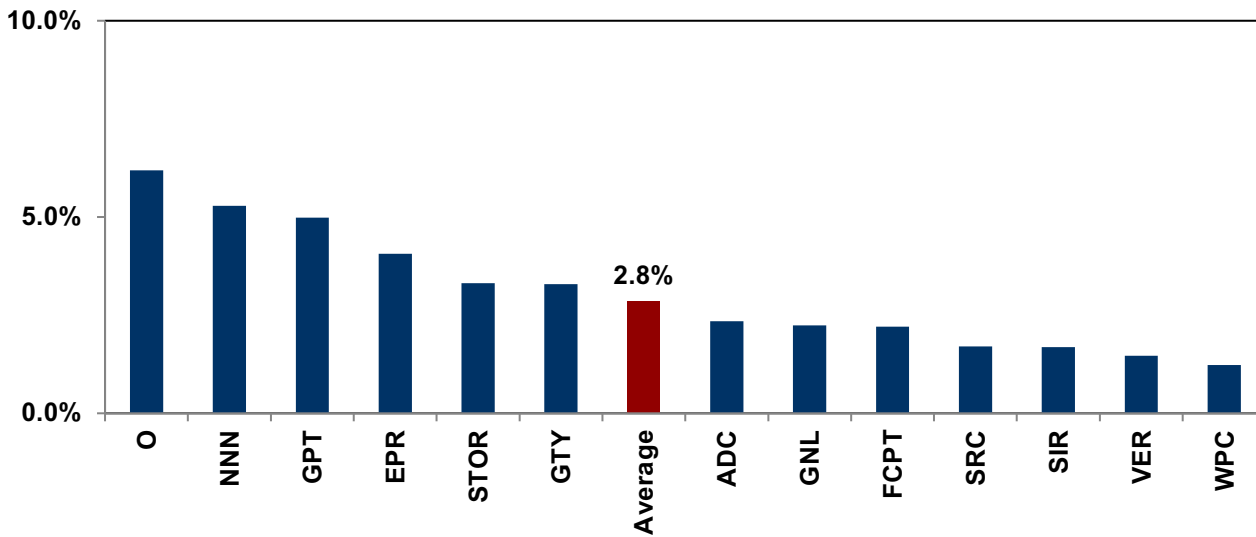


Triple-Net REITs Short Interest 3Q16 Chg %



Source: Bloomberg, FactSet, Stifel

Triple-Net REITs Short Interest as % of Float



Source: Bloomberg, FactSet, Stifel

Triple-Net REIT Valuation Table

Total Return Analysis

Capital Structure

Company	Ticker	Price <sup>1</sup>			Price Appreciation %			Total Return %			2016E			Eq.			Net			Fixed-Charge Coverge. Ratio
		10/14/2016	Low	High	3-Mo <sup>1</sup>	TTM <sup>1</sup>	YTD <sup>1</sup>	3-Mo <sup>1</sup>	TTM <sup>1</sup>	YTD <sup>1</sup>	Div. Yld. (%)	Annual. Div.(\$)	Payout. Ratio	Pfd. Equity (\$MM)	Mkt. Cap. (\$MM)	Total Debt (\$MM)	TEV Ratio (%)	Cash TEV (\$MM)	TEV (\$MM)	
Agree Realty Corp	(a) ADC	\$46.82	\$30.36	\$51.33	-4.8%	53.5%	37.7%	-3.9%	60.7%	42.2%	4.1%	\$1.92	76.0%	\$0	\$1,107	\$390	25.8%	\$6.0	\$1,491	3.7x
EPR Properties	(a) EPR	\$75.19	\$53.00	\$84.67	-7.0%	39.5%	28.6%	-5.9%	47.6%	34.0%	5.1%	\$3.84	81.2%	\$346	\$4,944	\$2,115	28.5%	\$8.5	\$7,397	3.2x
Four Corners Property Trust	FCPT	\$20.46	\$14.09	\$24.44	-2.0%	N/A	-15.3%	-0.9%	N/A	38.2%	4.7%	\$0.97	67.8%	\$0	\$1,224	\$393	22.6%	\$36.1	\$1,581	6.2x
Getty Realty	GTY	\$22.40	\$15.67	\$24.33	0.7%	36.3%	30.6%	1.7%	45.0%	35.3%	4.5%	\$1.00	69.9%	\$0	\$756	\$302	28.1%	\$6.8	\$1,052	2.7x
Gramercy Property	(a) GPT	\$9.05	\$6.50	\$10.03	-6.3%	31.2%	17.2%	-5.3%	38.4%	21.6%	4.9%	\$0.44	68.8%	\$88	\$3,827	\$2,157	33.5%	\$185.1	\$5,887	3.8x
National Retail Properties	(a) NNN	\$47.12	\$35.67	\$53.60	-8.4%	26.4%	17.7%	-7.6%	31.6%	21.1%	3.9%	\$1.82	76.1%	\$575	\$6,880	\$1,992	19.9%	\$144.8	\$9,302	3.4x
Realty Income	(a) O	\$62.04	\$45.98	\$72.30	-11.8%	30.1%	20.2%	-11.0%	35.4%	23.7%	3.9%	\$2.42	83.8%	\$409	\$16,041	\$5,296	24.3%	\$20.4	\$21,725	4.2x
Select Income REIT	SIR	\$25.74	\$17.07	\$27.97	-5.6%	31.7%	29.9%	-3.8%	44.6%	39.0%	7.9%	\$2.04	81.6%	\$0	\$2,301	\$2,343	50.3%	\$10.8	\$4,633	4.2x
Spirit Realty	SRC	\$12.52	\$8.90	\$13.97	-3.6%	29.7%	25.0%	-2.4%	37.7%	30.4%	5.6%	\$0.70	80.0%	\$0	\$6,006	\$3,636	37.5%	\$29.4	\$9,613	3.3x
STORE Capital Corporation	(a) STOR	\$28.02	\$21.04	\$31.44	-4.2%	31.1%	20.8%	-3.2%	36.6%	24.4%	4.1%	\$1.16	69.9%	\$0	\$4,294	\$2,157	32.2%	\$118.5	\$6,333	3.0x
VEREIT	(a) VER	\$9.70	\$6.68	\$11.09	-6.1%	18.9%	22.5%	-4.9%	26.2%	27.8%	5.7%	\$0.55	75.1%	\$1,071	\$9,702	\$6,864	38.8%	\$37.6	\$17,599	2.8x
W.P. Carey & Co	WPC	\$61.80	\$51.12	\$72.89	-11.2%	2.6%	4.7%	-9.9%	9.0%	9.6%	6.4%	\$3.94	76.6%	\$0	\$6,534	\$4,642	40.6%	\$173.3	\$11,003	4.1x
<b>Triple-Net Total/Avg.</b>					<b>-7.8%</b>	<b>26.0%</b>	<b>19.7%</b>	<b>-6.8%</b>	<b>32.5%</b>	<b>25.2%</b>	<b>4.9%</b>	<b>77.8%</b>					<b>31.3%</b>			<b>3.6x</b>
<b>MSCI US REIT Index</b>								<b>-7.8%</b>	<b>10.7%</b>	<b>7.2%</b>										

<sup>1</sup> Priced as of close, 10/14/16

(a) Stifel FFO estimates, all others are consensus estimates from SNL

Note: GPT FAD is adjusted to account for capital expenditures

Source: Stifel Estimates, SNL, FactSet, Company Reports

**Triple-Net REIT Valuation Table**  
**Cash Flow Analysis**

Company	Ticker	Price <sup>1</sup> 10/14/2016	FFO			Price/FFO			2015A P/FFO Rel. to Sector	2016E FFO Growth	2017E FFO Growth	2016E FFO Yield	FAD		Price/FAD		2016E FAD Payout	2017E FAD Payout	2017E FAD Yield
			2015A	2016E	2017E	2015A	2016E	2017E					2016E	2017E	2016E	2017E			
Agree Realty Corp	(a) ADC	\$46.82	\$2.39	\$2.52	\$2.83	19.6	18.6	16.5	110%	5.5%	12.3%	5.4%	\$2.53	\$2.85	18.5	16.4	76.0%	67.4%	6.1%
EPR Properties	(a) EPR	\$75.19	\$4.45	\$4.80	\$5.07	16.9	15.7	14.8	95%	7.9%	5.8%	6.4%	\$4.73	\$5.01	15.9	15.0	81.2%	76.7%	6.7%
Four Corners Property Trust	FCPT	\$20.46	\$1.51	\$1.31	\$1.35	13.5	15.6	15.2	76%	-13.2%	2.7%	6.4%	\$1.18	\$1.23	17.4	16.6	82.4%	78.9%	6.0%
Getty Realty	GTY	\$22.40	\$2.04	\$1.51	\$1.57	11.0	14.8	14.3	62%	-26.0%	4.0%	6.7%	\$1.43	\$1.50	15.7	14.9	69.9%	66.7%	6.7%
Gramercy Property	(a) GPT	\$9.05	\$0.61	\$0.75	\$0.78	14.8	12.1	11.6	83%	23.0%	4.0%	8.3%	\$0.64	\$0.72	14.1	12.6	68.8%	61.1%	8.0%
National Retail Properties	(a) NNN	\$47.12	\$2.22	\$2.34	\$2.52	21.2	20.2	18.7	119%	5.0%	7.7%	5.0%	\$2.39	\$2.57	19.7	18.3	76.1%	70.8%	5.5%
Realty Income	(a) O	\$62.04	\$2.77	\$2.85	\$3.06	22.4	21.7	20.3	126%	3.2%	7.4%	4.6%	\$2.89	\$3.09	21.4	20.1	83.8%	78.6%	5.0%
Select Income REIT	SIR	\$25.74	\$2.88	\$2.89	\$2.91	8.9	8.9	8.8	50%	0.3%	0.8%	11.2%	\$2.50	\$2.49	10.3	10.3	81.6%	81.9%	9.7%
Spirit Realty	SRC	\$12.52	\$0.82	\$0.87	\$0.92	15.3	14.3	13.6	86%	6.6%	5.5%	7.0%	\$0.88	\$0.92	14.3	13.6	80.0%	76.2%	7.3%
STORE Capital Corporation	(a) STOR	\$28.02	\$1.40	\$1.57	\$1.78	19.9	17.9	15.7	112%	11.7%	13.6%	5.6%	\$1.66	\$1.86	16.9	15.1	69.9%	62.5%	6.6%
VEREIT	(a) VER	\$9.70	\$0.63	\$0.77	\$0.73	15.4	12.6	13.3	87%	22.6%	-5.6%	8.0%	\$0.73	\$0.69	13.2	14.1	75.1%	79.7%	7.1%
W.P. Carey & Co	WPC	\$61.80	\$4.35	\$4.92	\$4.73	14.2	12.6	13.1	80%	13.1%	-3.9%	8.0%	\$5.14	\$5.23	12.0	11.8	76.6%	75.3%	8.5%
<b>Triple-Net Total/Avg.</b>						<b>16.1</b>	<b>15.4</b>	<b>14.7</b>		<b>5.0%</b>	<b>4.5%</b>	<b>6.9%</b>			<b>15.8</b>	<b>14.9</b>	<b>76.8%</b>	<b>73.0%</b>	<b>6.9%</b>
<b>Weighted Average</b>						<b>17.8</b>	<b>16.5</b>	<b>15.8</b>		<b>9.1%</b>	<b>3.9%</b>	<b>6.5%</b>			<b>16.6</b>	<b>15.8</b>	<b>78.1%</b>	<b>74.9%</b>	<b>6.6%</b>

<sup>1</sup> Priced as of close, 10/14/16

(a) Stifel FFO estimates, all others are consensus estimates from SNL

Note: GPT/VER FAD is adjusted to account for capital expenditures

Source: Stifel Estimates, SNL, Company Reports

## Triple-Net REIT Valuation Table

### Valuation Analysis

Company	Rating	Ticker	Price <sup>1</sup> 14-Oct-16	Implied Cap Rate	2Q16 NAV	Sensitivity		
						NAV Cap Rate	Down 50 BPS	Up 50 BPS
Agree Realty Corporation	Buy	ADC	\$46.82	5.6%	\$42.14	6.00%	\$47.46	\$37.64
EPR Properties	Hold	EPR	\$75.19	6.4%	\$62.99	7.25%	\$69.70	\$57.14
Gramercy Property Trust	Buy	GPT	\$9.05	6.3%	\$8.17	6.75%	\$9.20	\$7.29
National Retail Properties	Buy	NNN	\$47.12	5.3%	\$37.81	6.25%	\$42.68	\$33.66
Realty Income	Buy	O	\$62.04	4.8%	\$45.80	6.00%	\$51.87	\$34.72
STORE Capital Corporation	Buy	STOR	\$28.02	5.9%	\$24.16	6.50%	\$27.30	\$21.48
VEREIT	Hold	VER	\$9.70	6.4%	\$9.05	6.60%	\$10.45	\$7.84
<b>Average</b>				5.6%				

<sup>1</sup> Priced as of close, 10/14/16

Source: Stifel Estimates, Company Reports

## Triple-Net REIT Valuation Table

### Balance Sheet Analysis

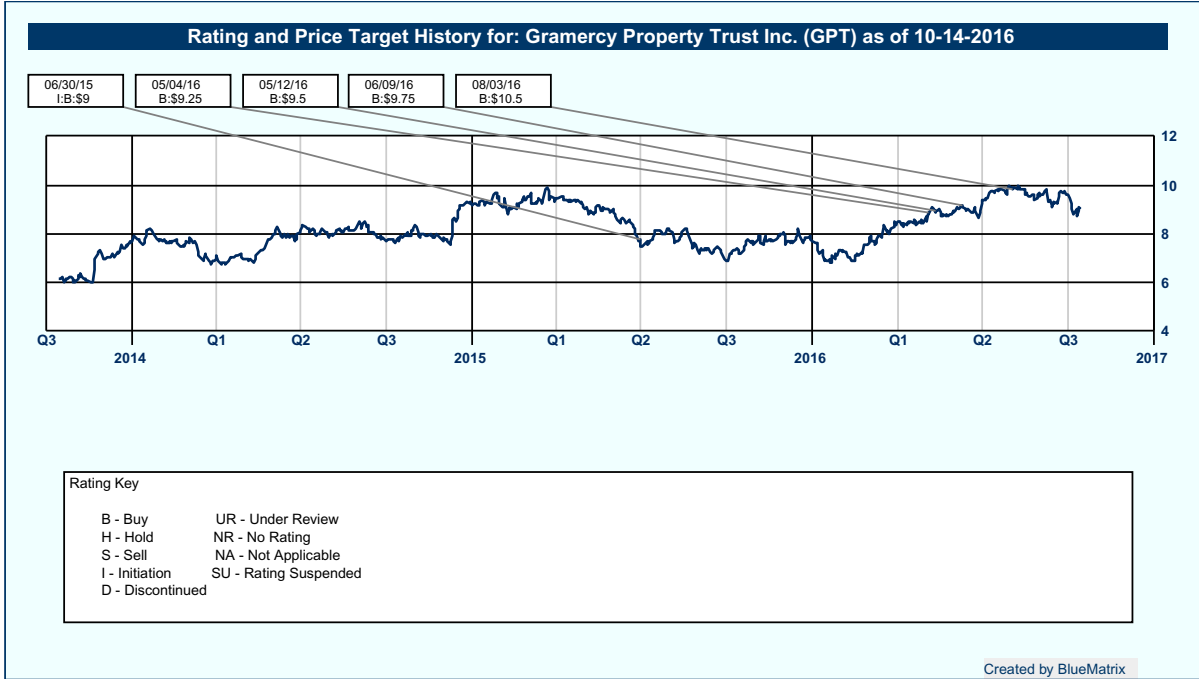
2Q16 REIT's	Price <sup>1</sup>	2016E FAD	Dividend	2016E FAD Payout	Fixed Charge Coverage	Line Size (\$MM)	Line Capacity (\$MM)	2016 Maturities (\$MM)	2016 Maturities as % of Total Debt	2017 Maturities (\$MM)	2017 Maturities as % of Total Debt	% of Fixed Rate Debt	Wtd Avg Interest Rate
<b>ADC</b>	\$46.82	\$2.53	\$1.92	76%	3.7x	\$200	\$200	\$0	0.0%	\$20	5.0%	100%	4.00%
<b>EPR</b>	\$75.19	\$4.73	\$3.84	81%	3.2x	\$650	\$643	\$43	2.0%	\$163	7.7%	85%	4.56%
<b>GPT</b>	\$9.05	\$0.64	\$0.44	69%	3.8x	\$850	\$680	\$32	1.5%	\$66	3.1%	81%	3.45%
<b>NNN</b>	\$47.12	\$2.39	\$1.82	76%	3.4x	\$650	\$650	\$0	0.0%	\$253	12.7%	93%	4.20%
<b>O</b>	\$62.04	\$2.89	\$2.42	84%	4.2x	\$2,000	\$1,488	\$5	0.1%	\$325	6.1%	89%	4.19%
<b>STOR</b>	\$28.02	\$1.66	\$1.16	70%	3.0x	\$500	\$500	\$15	0.7%	\$34	1.6%	100%	4.64%
<b>VER</b>	\$9.70	\$0.73	\$0.55	75%	2.8x	\$3,300	\$2,595	\$207	3.0%	\$421	6.1%	99%	3.90%

<sup>1</sup> Priced as of close, 10/14/16

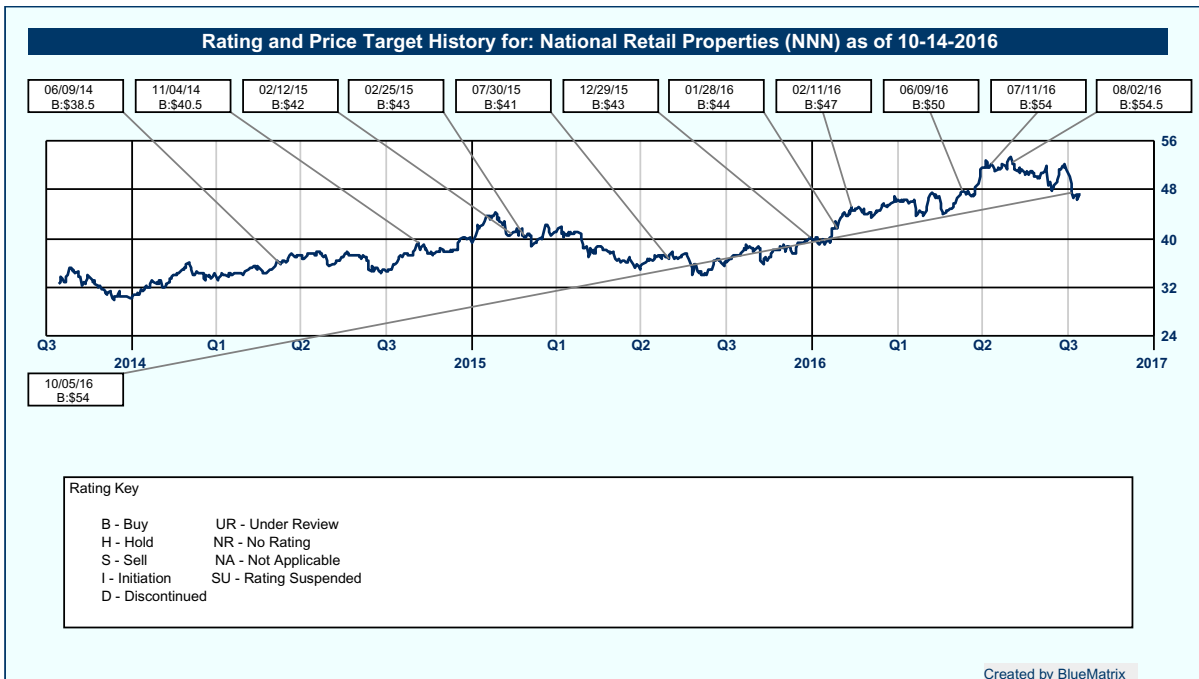
Source: Stifel Estimates, Company Reports

Important Disclosures and Certifications

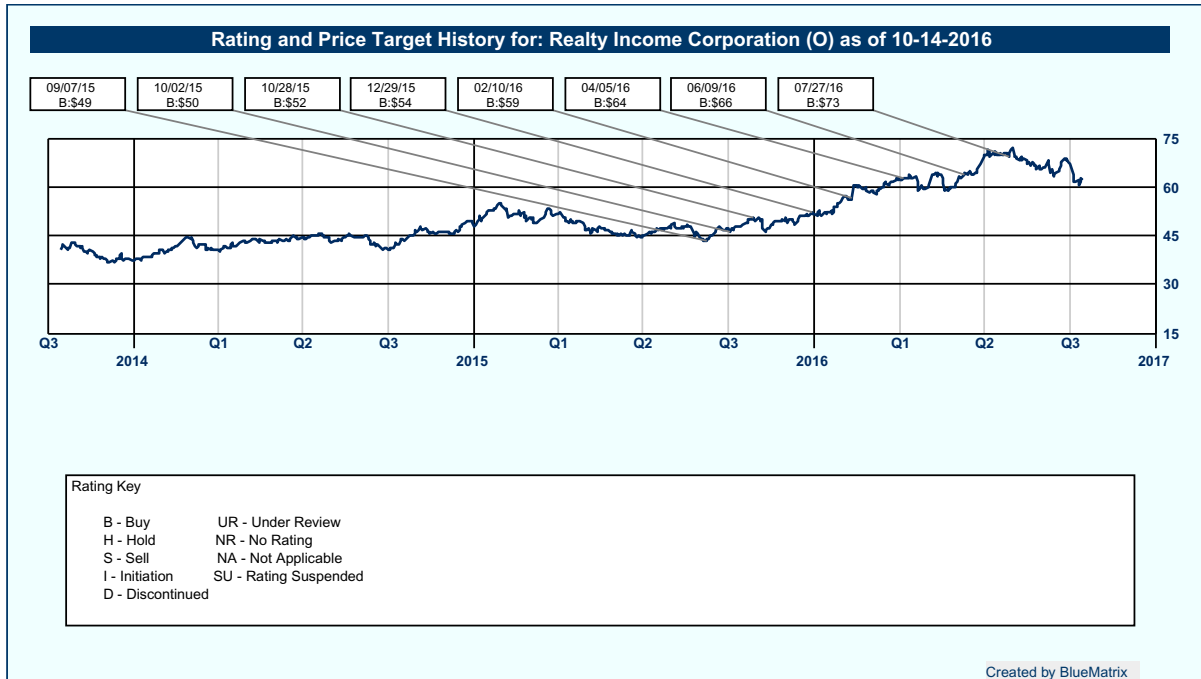
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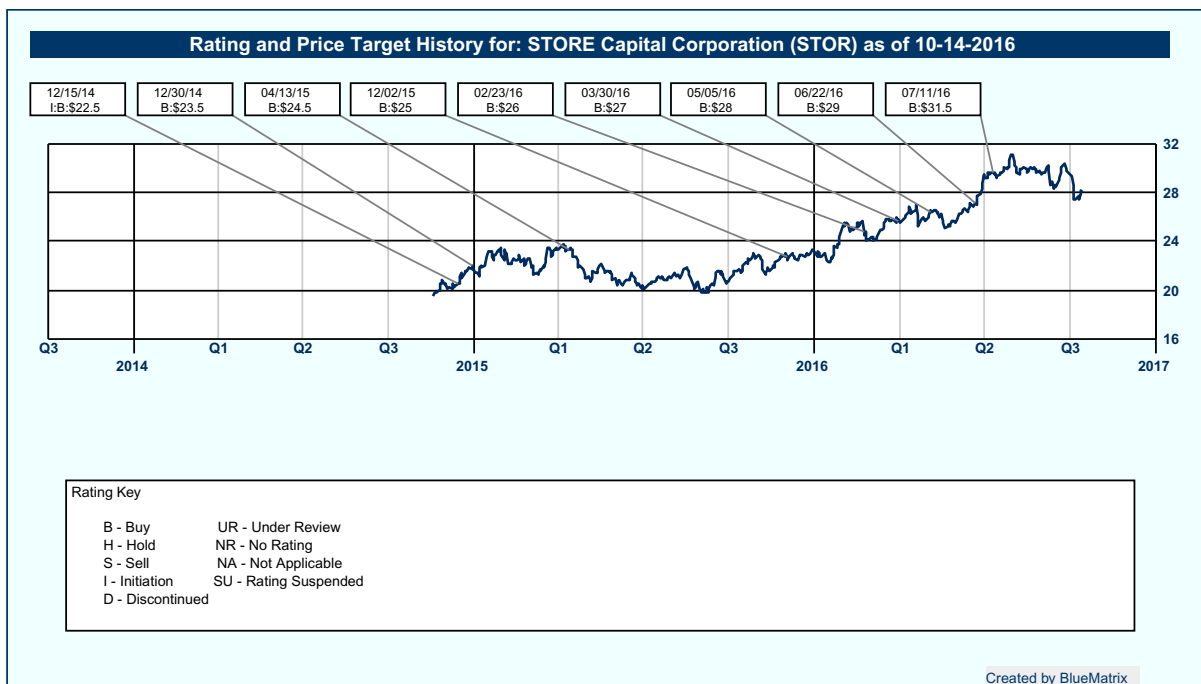
For a price chart with our ratings and any applicable target price changes for GPT go to <http://sf.bluematrix.com/bluematrix/Disclosure?ticker=GPT>



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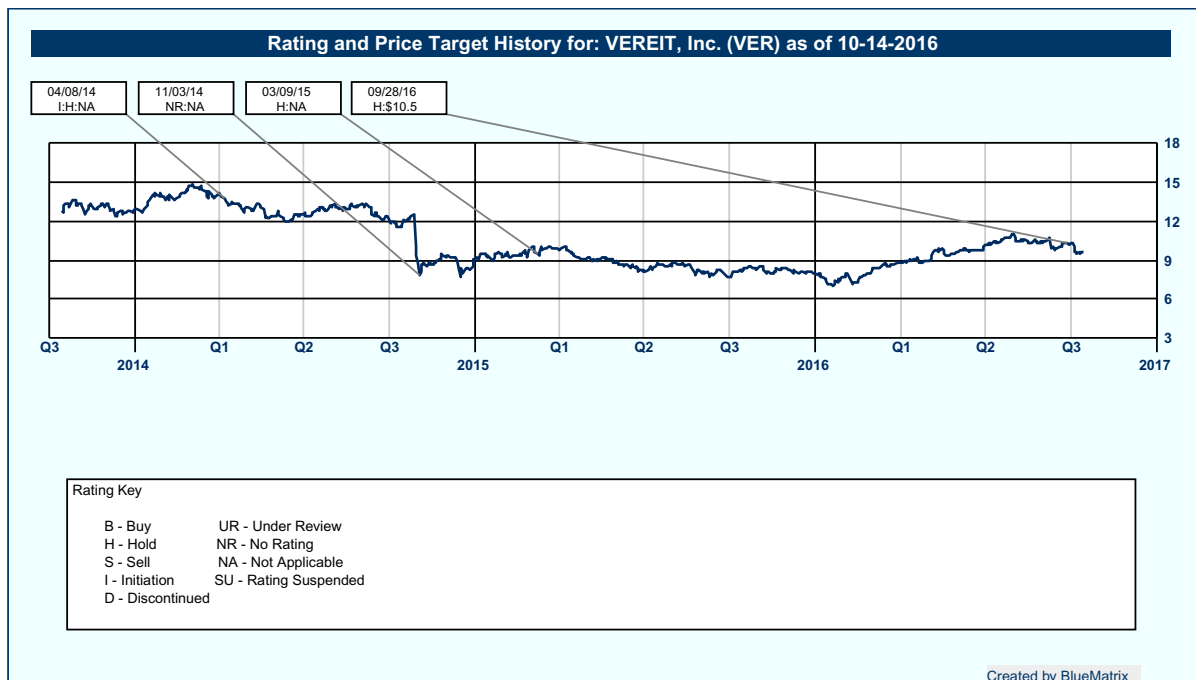


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plus dividend yield.

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#### **Additional Information Available Upon Request**

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