



SUMMARY RISK FACTORS

Investing in our common stock involves a high degree of risk. You should purchase these securities only if you can afford a complete loss of your investment. Please carefully read the section entitled “Risk Factors” on pages 23 through 55 of the ARC-Retail prospectus for a discussion of the risks which should be considered in connection with your investment in our common stock, including:

- The amount of the distributions paid may decrease at any time. Due to the risks involved in the ownership of real estate, there is no guarantee of any return on your investment, and you may lose all or a portion of your investment.
- We are a “blind pool” offering because we currently do not own any properties and we have not identified any properties to acquire.
- We are depending on our advisor and, subject to our advisor’s oversight, our advisor is relying on the service provider and its affiliates, to select our investments and conduct our real estate operations. Adverse changes in the financial condition of our advisor or the service provider or its affiliates or our relationship with our advisor or our advisor’s relationship with the service provider and its affiliates could adversely affect us.
- There are substantial conflicts among the interests of our investors, our interests and the interests of our advisor, our sponsor, our dealer manager, the service provider and their respective affiliates regarding compensation, investment opportunities and management resources. The fees payable to our advisor are substantial and may result in our advisor recommending riskier investments.
- We may incur substantial debt, which could hinder our ability to pay distributions to our stockholders or could decrease the value of your investment if income on, or the value of, the property securing the debt falls.
- We are not yet a REIT and may be unable to qualify as a REIT. If we obtain and as long as we maintain our status as a REIT, we will be subject to numerous limitations under the Internal Revenue Code of 1986, as amended, including that five or fewer individuals are prohibited from beneficially owning more than 50% of our outstanding shares during the last half of each taxable year.
- Our investment objectives and strategies may be changed without stockholder consent.
- Our organizational documents permit us to pay distributions from unlimited amounts of any source. Until substantially all the proceeds from this offering are invested, we may use proceeds from this offering to fund distributions until we have sufficient cash flow. There are no established limits on the amounts of net proceeds and borrowings that we may use to fund these distribution payments. Any of these distributions may reduce the amount of capital we ultimately invest in properties and other permitted investments and negatively impact the value of your investment.