

Reconciliation of Stockholders' Equity and Noncontrolling Interests to NAV

The following table reconciles stockholders' equity and noncontrolling interests per our consolidated balance sheet to our NAV as of December 31, 2023:

(in thousands)	As of December 31, 2023	Per Share/Unit*
Total stockholders' equity	\$ 795,297	\$ 2.87
Noncontrolling interests	316,119	1.14
Total equity under GAAP	1,111,416	4.01
Adjustments:		
Accrued distribution fee (1)	66,656	0.24
Redeemable noncontrolling interests (2)	11,746	0.04
Unrealized net appreciation (depreciation) on real estate and financial assets and liabilities (3)	359,294	1.30
Unrealized gain (loss) on investments in unconsolidated joint venture partnerships (4)	24,753	0.09
Accumulated depreciation and amortization (5)	678,207	2.44
Other adjustments (6)	(26,759)	(0.10)
Aggregate Fund NAV	\$ 2,225,313	\$ 8.02

* Based on a "blended" share class/unit basis and calculated as the total amount presented in each row divided by the number of outstanding shares issued by AREIT and units issued by AREIT Operating Partnership LP (the "Operating Partnership"). GAAP equity per share/unit is shown for illustrative purposes only and does not reflect the actual prices at which shares of our common stock may be sold. Shares of our common stock will be sold at the then-current transaction price, which is generally equal to the prior month's NAV per share for such class, plus applicable upfront selling commissions and dealer manager fees.

- (1) Accrued distribution fee represents the accrual for the full cost of the distribution fee for Class T, Class S, and Class D shares and OP Units. Under GAAP, we accrued the full cost of the distribution fee payable over the life of each share (assuming such share remains outstanding the length of time required to pay the maximum distribution fee) as an offering cost at the time we sold the Class T, Class S, and Class D shares. Similarly, we accrued a liability for future distribution fees we expect will be paid for our estimate of how long Class T, Class S, and Class D OP Units will be outstanding, also as an offering cost. For purposes of calculating the NAV, we recognize the distribution fee as a reduction of NAV on a monthly basis when such fee is paid and do not deduct the liability for estimated future distribution fees that may become payable after the date as of which our NAV is calculated.
- (2) Redeemable noncontrolling interests are related to our OP Units, and are included in our determination of NAV but not included in equity under GAAP.
- (3) Our real estate and certain of our financial assets and liabilities, including our debt, certain of our financing obligations, certain of our DST Program Loans, and certain of our investments in real estate debt and securities, are presented at their carrying value in our consolidated financial statements. As such, any increases or decreases in the fair market value of our real estate and certain of our financial assets and liabilities are not included in our GAAP results. For purposes of determining our NAV, our real estate, investments in real estate debt and securities, financing obligations, DST Program Loans, and certain of our debt are recorded at fair value. Notwithstanding, our property-level mortgages and corporate-level credit facilities that are intended to be held to maturity are valued at par (i.e. at their respective outstanding balances).
- (4) Our investments in unconsolidated joint venture partnerships are presented using the equity method of accounting in our consolidated financial statements. As such, certain increases or decreases in the fair market value of the underlying investments or debt instruments associated with those investments in unconsolidated joint venture partnerships are not included in our GAAP results. For purposes of determining our NAV, the investments in the underlying real estate and certain of the underlying debt instruments are recorded at fair value and reflected in our NAV at our proportional ownership interest.
- (5) We depreciate our investments in real estate and amortize certain other assets and liabilities in accordance with GAAP. Such depreciation and amortization is not recorded for purposes of determining our NAV.
- (6) Includes (i) straight-line rent receivables, which are recorded in accordance with GAAP but not recorded for purposes of determining our NAV, (ii) certain interest rate hedges, which are recorded at fair value in

accordance with GAAP but are not included for purposes of determining our NAV if intended to be held to maturity, and (iii) other minor adjustments.