



Tenant Description

Family Dollar is a chain of general merchandise discount stores. In 2015, Dollar Tree successfully acquired Family Dollar and together they operate 14,835 discount stores across 48 states and the District of Columbia. This united entity operates two banners, Dollar Tree, a true dollar store, offering all products for \$1, while their other banner, Family Dollar, carries merchandise with a variety of price points, generally under \$10.

A typical Family Dollar store's inventory will vary depending on size, location, and merchandising initiatives but the products they carry can typically be broken down into four groups: consumables, home products, apparel and accessories, and seasonal and electronics. Consumable merchandise, which includes food, health and beauty aids, household chemicals, paper products, and other similar products, account for the largest percentage sales.

Merchandise Type	Percentage of Net Sales
Consumable	75.3%
Home Products	8.4%
Apparel and Accessories	6.6%
Seasonal and Electronics	9.7%

Net Lease Overview

Family Dollar has a strong corporate guarantee, investor friendly leases, and an attractive price point for investors.

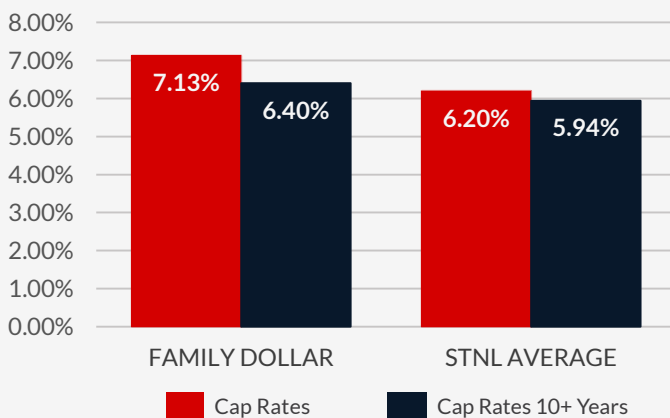
Dollar Tree, Family Dollar's parent company, recently received a credit rating upgrade by Moody's and S&P. This upgrade puts Dollar Tree/Family Dollar at the 'investment grade' level.

Dollar Tree	S&P	Moody's
Previous Credit Rating	BB+	Ba2
Current Credit Rating	BBB-	Baa3

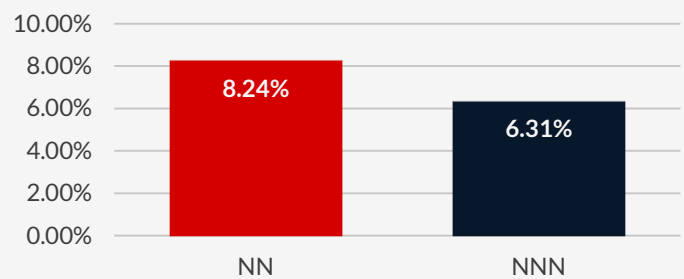
Family Dollar had a mix of double net and triple net properties trade over the last 12 months, however, most of the newer properties have a 15-year, corporate-backed triple net lease. These new leases will also feature 10% rental increases, usually at the start of each option but some begin during lease year 11. These leases offer investors a long term and passive investment with a hedge against inflation.

Investors can expect to purchase Family Dollar assets at a price point below \$2 million. Over the last 12 months, the average sales price for Family Dollar has been \$1,534,000.

Average Cap Rates Over the Past 12 Months



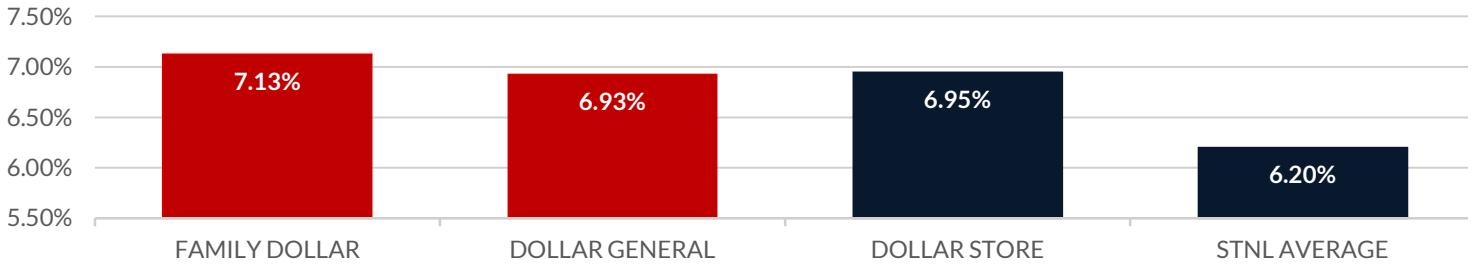
Average Cap Rates by Lease Type



There is a large difference in average cap rates between double and triple net leases. This large difference is due to triple net leases trading at a slight premium and the differing number of average years remaining for each lease type. Double net leased properties had an average of 6.6 years remaining while triple net leased properties had an average of 14.1 years remaining.

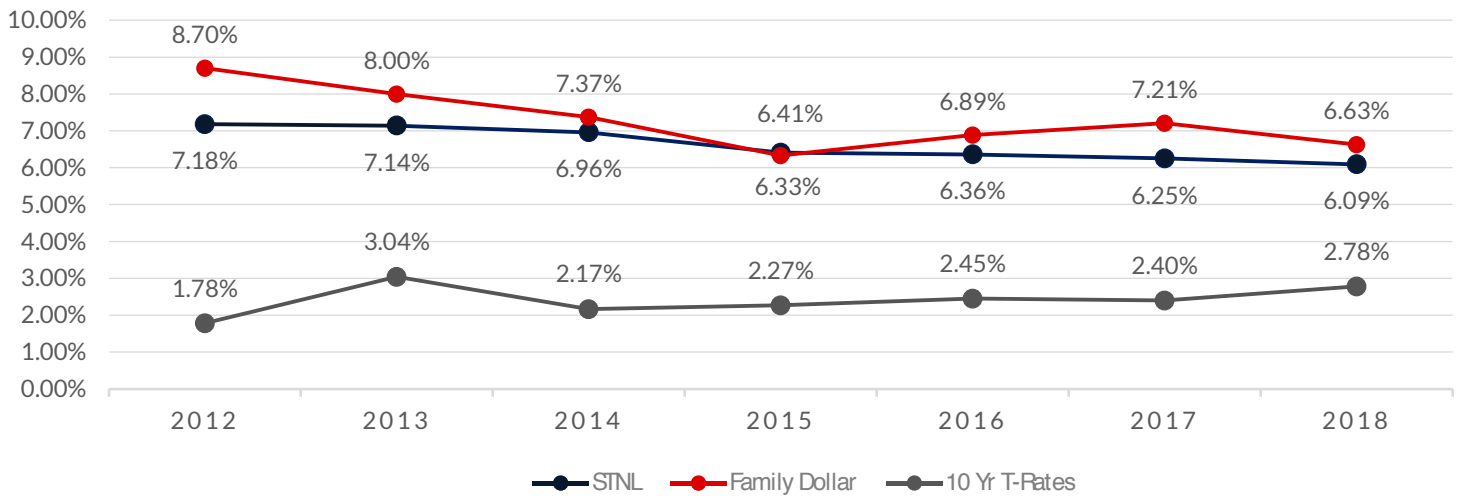


Average Cap Rates Over the Past 12 Months



Family Dollar has been trading at a higher cap rate than its counterparts as well as the STNL average.

STNL Cap Rates vs Family Dollar Cap Rates vs 10-Yr T-Rates



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DISCLOSURES: As part of our market research, we collect sales price, cap rate, and lease years remaining for all publicly advertised and sold STNL properties. a) We are not able to capture 100% of the off-market transactions that occur; however the nature of off-market typically limits their value as true market comps. b) Sources include public records, sales announcements, Calkain sales, and appraiser obtained sales amongst others. c) Our collection process, while thorough, is not all encompassing and there may be biases in the data as it relates to geography, tenancy, or brokers involved in the transaction. d) Public records often lag behind when transactions actually close, months in some cases. e) In sectors with a skew of greater than |2|, we have replaced the mean with the median to better describe these sectors. Consequently the data supplied here for any given quarter is likely to miss a material amount of transactions that actually closed in it.