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<<Unidentified Analyst>>

So we have 40 minutes, should be time enough to tell the story.

<<Jay Sugarman, Chairman and Chief Executive Officer>>

Yeah.

<<Unidentified Analyst>>

Okay. Well, we can get started on the next panel. Very pleased to introduce Jay Sugarman, CEO of iStar. iStar is definitely one of the most interesting companies I cover right now. It's been through quite a history in the last 10 years, but recently announced a new strategic shift. And so I think that'll probably be the focus of our discussion today.

I guess Jay to start off with the stock came under pressure earlier this year and still is trading at a discount to what many people estimate as NAV, despite iStar's recent rally. Do you want to talk about that? And how you – what you think the solution is to shrinking that gap and stock price in NAV?

<<Jay Sugarman, Chairman and Chief Executive Officer>>

Sure. First of all, you guys are the smartest guys at this conference because this is going to be the best presentation you're going to hear. We have been building a very exciting, powerful business inside iStar for the last, really, year and a half. Not too many people know about. We got to the end of last year and realized we should put our heart and soul into it. This is one of the best investment ideas we've ever seen, certainly in my 30-year investment career.

And we realized we wouldn't be able to do that if we had five different businesses that all demanded attention and focus and required capital and tied up our management resources. So we went to our board at the end of last year and said, we want to push all our chips in the middle of the table on this new business. It's the best thing we've ever seen. We will be the dominant company. We are perfectly positioned to create a revolution in a $7 trillion industry. We should stop fooling around with everything else. And we announced that publicly in February.

And big changes, big strategic shifts required transition. They required transition in your shareholder base. They required organizational transitions. They required us to change the business strategy on a bunch of assets. And so the first thing that came out of that decision was a markdown on a bunch of assets that we were no longer going to develop. And I think the market's initial response was this is bad news.

What we had hoped people to understand is its greatness. We are clearing the decks for a business that is going to be truly exceptional and create lots of value for shareholders and its going – clearing the decks is going to allow people to actually see this value. And they're going to see iStar in a much simpler, much easier light. Market didn't get it, shares traded off, but we kind of stuck to our checklist, which was we're going to highlight the value in our existing portfolio and we've done that in two transactions already. One we sold a cold storage freezer portfolio for $215 million gain. Remember we have about 65 million shares, so that was $3 a share on a $9 stock.

We recently closed an expansion and an extension of one of our largest triple net lease deals. That will trigger something in the order of $150 million gain. And we've been highlighting for people that we now own 20 million shares of Safehold, company that really is the repository for this great new idea. And those on a mark-to-market basis are somewhere in the range of another $150 million gain.

So between those three things, you have a adjusted book value of somewhere on the order of $17 a share. And that's always been true, but people couldn't really focus on it, couldn't really see it because there are always other moving parts and now a lot of those moving parts are gone. We also reduced a lot of the legacy assets that are not part of the go-forward strategy, reduced that by about 50% since the end of last year. That number will keep coming down. So it's really become less than a fifth of the portfolio and it's shrinking every day.

So what do we have here? We have the two things that I think all of us look for when we invest. We want to buy things at a discount. But even better ways, we want to buy a great business at a discount. And the combination of what iStar has been doing and Safehold's doing is really going to help people see that investing in iStar is an opportunity not only to buy $17 of value for $10.50 today, but it's also a chance to buy what could be a very prolific business at its early stage at a very, very meaningful discount to fair value.

So those are the two things that we think are starting to get traction in the marketplace. But again, this is early days. We announced the strategic shift at the end of February. We've had one quarter to kind of explain how this is all going to work. But the checklist is really good. We've highlighted those gains and the value in the balance sheet. We've shrunk the legacy asset portfolio. We have raised the dividend 11%, we've shrunk the share count by 5% and we continue to grow this new exciting game changing business. So if we check all those boxes, I can't believe this discount isn't going to go away. Those are all catalytic factors and why the stock should and will start to represent true value.

<<Unidentified Analyst>>

When you think about the book value, it sounds like that's where as a start you want people to focus. Are there legacy positions that could entail future loss or impairments? Or do you feel that the 4Q write down was the last of any material impairment?

<<Jay Sugarman, Chairman and Chief Executive Officer>>

I’m going to challenge you a little bit. If you ever pick one of the two things I care about, it’s I want people to understand what an incredible business we’re building. The fact that you can get it at a crazy discount is great, but even if you couldn’t, it’s still a great business to own. So my first and foremost mission is to make sure people understand that this is not just buying something at a discount, this is buying a great business at a discount.

But I do think there is some residual, hey, is there anything else in the legacy portfolio I don’t know about. What we’ve told people is, there’s more winners than losers. We feel like overall book value is a pretty safe place to start. If good things happen, it’ll be a little better than that. If bad things happen, it’ll only be a little worse than that. Overall, it’s not part of the story anymore, it’s just future capital to redeploy into our core businesses.

So I think that story of what’s going to happen on the legacy, unless there’s just a complete chaos in the world, we’ve kind of put that behind us and just using it as a pool of liquidity that as we sell assets, as we drain the legacy bucket, we can redeploy into these higher yielding, better investments.

<<Unidentified Analyst>>

Okay. Well, should we get into the great business that you’re eager to talk about?

<<Jay Sugarman, Chairman and Chief Executive Officer>>

Yeah. No, for the last three years we told the marketplace, we’re going to find the next big thing, we’re going to find something that we are going to be a leader in. And about two years ago we figured out what that would be. And it actually came from everything we’ve learned over the 25 years, we’ve been investing in different parts of the real estate world finance, triple net lease.

There’s two themes right now that make great companies, and if you look at almost any industry right now, the best companies have to execute on at least one and probably both. One is to target a big industry and make it more efficient. That is – go back to the days of Walmart, efficiency is ramping throughout the economy right now. If you’re inefficient, somebody’s coming to get you, whether it’s a competitor or an activist investor, inefficiency is no longer tolerated. So targeted big industry make it more efficient, whether it’s the taxi industry, the hospitality industry, literally every industry has gone through a deep focus on how do we become more efficient and the best companies are the ones who have figured that out.

And the second piece is deliver better customer service. Make the customer like the way you handle the transaction better. The new business we have actually does both those big themes. And all it really is reinventing the ground lease sector. Yeah. People always ask what does Safehold? What is Safehold? Fundamentally, we are making a $7 trillion commercial real estate ownership business more efficient because if you think about it, the land and the building and every property are two very distinct investments. One is very active, high intensity, leasing, managing, marketing, designing every day, fighting it out. That’s the operating business of real estate. And the land is a very passive, quiet business. It’s in fact a long-term bond.

What other part of the capital market, when you want to make an equity investment, you have to buy a bond at the same time? None. That is one of the most inefficient uses of capital we could imagine. And there is for the last 30 years, every corporation has used sale leasebacks to separate the operating business from the passive real estate they owned. And why did they do that? Because it's incredibly more capital efficient to put your capital in the business that you're good at, that you have competitive advantage in and not in a business that you don't do as a core skill set.

So we've been doing sale leasebacks, real estate for corporations for 25 years. And it is a regular way standard practice. Every corporation who hasn't done it is being forced to do it because somebody is looking at them and going that's crazy. Why do you own a bunch of passive low return real estate when you could deploy that capital into your operating competitively advantaged management business?

So now look at every real estate owner. They have the exact same situation. They have a active business, the building, the leasing, the managing, the marketing, the designing, the operating, and they have a big passive business, the land, which is really just the bond. One is a high return operating business, one is a lower return passive almost bond business. Why aren't there sale leasebacks for real estate owners? Why hasn't the thing that is standard operating procedure in a corporate world translated into the real estate world?

And what's interesting from iStar's perspective is 30 years ago we saw the real estate finance markets kind of standing apart from the modern capital markets in the corporate world. And slowly but surely we sort of dragged all the modern financial theory into real estate finance, CLOs, CMBS, splitting trenching, rating classes, all the things that always existed in corporate real estate finally adopted.

This is another case where it's going to happen. It's just a question of who's going to be the leader, who's going to make it happen. And you need a nationally scaled deeply embedded firm like ours that understands finance, understands net lease to actually make this change happen. But the change itself, and we think it's a revolution, but it is absolutely evolutionary in terms of everything we've seen in the real estate world. That efficiency, that capital efficiency, the cost efficiency we're doing a third of your capital structure once for 99 years instead of redoing it every five years and paying all those fees and all those expenses and all those costs 15, 20 times over the life of that asset. It's crazy. It's incredibly inefficient.

So we think we start with this premise that we're making a huge industry way more efficient, more capital efficient, our building owners own higher returns, they'll have less risk because a third of their capital structure never matures unlike the debt alternatives that are looking at. And it's cost efficient, it takes out a big tranche of costs that happen every time that property gets, once it's built, once it's refinanced, once it's sold, once it's refinanced, once it's sold, once it's refinanced, every time that part of the capital structure no longer has to be feed or percentage costs to debt.

So here we have it. We have this business where we can change a giant industry, a $7 trillion industry. We're making it way better and way more efficient for the owner of the operating business, the building owner. We're creating a fundamentally more logical ownership structure that almost when you sit back and go, well, yeah, why hasn't this happened before. And the truth of the matter is, it came down to the second piece, which is there was no customer service in the ground lease business. In fact, if there was a J.D. Power award, it would win worst ever business for treating its customers. All you hear about is Chrysler building and Lever House and how ground leases are evil and they're terrible and they're awful and they destroy value.

And that's actually a good thing because it allowed us to come in and say we're going to fundamentally reinvent this industry. We have been in the customer business for 25 years. We have been figuring out how to solve problems for customers to give them better lower priced capital for 25 years. We've done it for corporations. We've done it for every asset class in real estate. This is kind of natural DNA of iStar stuff.

So if we can deliver lower cost capital, if we can do it in a sophisticated professional, nationally scaled way, and if we can take a ground lease that is historically been completely divorced from the modern real estate market, the provisions inside most ground leases that are more than 10 years old are completely wrong. They're ambiguous, they create uncertainty, they destroy value, fair market value recess, all sorts of hidden costs and fees and obstructions. Well, that'll never fly. And so the reputation industry Gaelic is well deserved because it was never really modernized for what we know to be the modern real estate finance markets, the modern real estate capital markets.

So who should do that? Well, iStar has been doing this for 25 years. In finance, we've been doing sale leasebacks for corporations for 20 years. We're the perfect candidate. We know as a lender what should be in a ground lease to not upset us as a lender. We know as a buyer and seller real estate, which should not be in a ground lease to keep the cap rates the same as the feeds rate. And then we took all that knowledge around and did it on our own book. We went out and took a bunch of iStar assets and tried to sell them with a ground lease and without a ground lease. And everything that we needed to know we learned in about five transactions. And we realized, oh my God, this is going to be a giant industry. We're getting 5%, 10%, 15% more value by splitting apart the land and the building and making each piece sell to the person who really owns it.

The person trying to make a 15% ROE doesn't want a 5% ROE piece of land. They don't. And they've been forced to own it and they didn't know it. And we're now giving the alternative. They're going, yeah, that is better. I don't want to own that. I don't want to use a big chunk of my capital to earn 5%. That's not my skill set. It's not what I do. Let me earn 20% on the piece I signed and you guys take the 5%. So if you can create more value for them, if you can do it on a national scale, if you can fundamentally revolutionize the way people think about commercial real estate ownership into a way more efficient model, you have a big opportunity.

So we sort of stepped back and said, okay, how do we make this as big as fast as possible? And we realized we needed all the relationships that iStar had, all of the intellectual property iStar had. But iStar's cost of funds, iStar's overhead didn't really fit for what is in effect a AAA bond business. So we took it public very early on its life. We brought in the sovereign wealth fund and we said, let's just put it out there. Let's grow the business and own the intellectual property at iStar. But let's create a pure play of these assets, so people can really start to see what it is we're creating for investors.

And so I've told you a customer story and the customer story is great. We've tripled the size of the portfolio since IPO for over $1 billion. Our target this year is $750 million, so we'll grow another 75%, organically. That's great for the customer. And now we're starting to tell the story for investors. And candidly, it wasn't worth telling this story when we were talking about theory. We could spend a lot of time convincing you that our theory, it was great; but if we couldn't execute, it wasn't that interesting. So we haven't spent as much time talking to investors.

And frankly, I think a lot of people simply don't – these were small cap REITs and it's following us. We're going to tell you this is not a REIT story. This is not a real estate story. This covers every type of investor across every investment idea we've seen growth, growth in income garb, momentum, value, anything you can think of where you want to deploy capital and make excess returns, we have the business for you. So we'll start with the people who are most familiar, which is real estate folks. But this investment is going to scale way beyond just real estate investment.

<<Unidentified Analyst>>

Should we just ask the audience who knows what a ground lease is? Basic people understand 99-year term…

<<Jay Sugarman, Chairman and Chief Executive Officer>>

It's a sale lease back for a building owner. That's all it is. So it's like a sale lease back for corporation. Sell us the real estate, take the money, put it in your core business and lease back the asset for a long time. Building owner, sell us your land, lease it back for a really long time and run your business. And when you run them side by side, it's cheaper capital, it has less maturity risk, it is more cost efficient. And if you hit your performance you will make much higher returns. And that ultimately is the story that I think we have to really continue to spread.

And I was telling Jade, we kind of think about it is three phases, year one was education. Nobody knew the heck we were talking about, nobody really thought about this business that way, so we educated. Year two, which will end in another couple months, was engagement. Get our teams out in front of the major brokerage houses, get them out to the major markets and start telling the story. Get a dealer to done in every market. We've almost doubled the number of the markets we're in from 10 to 20 over the last year. We think all the major intermediaries, CBRE, JLL, HFF, Cushman, all now understand why this could be a much better capital solution for their customers, whether they're developing real estate, recapping or refinancing real estate or buying or selling real estate. This is a better mousetrap.

The last phase, which we're about to enter into is expansion. So we've educated, we've engaged, and now we need to really expand and scale the platform. And that's why we think we're just at the beginning. We've seen our stocks start to move based on few early people who've heard the story and said, this is almost too good to be true. You're creating AAA assets, it way above market returns that never get paid back you just keep earning these excess returns over their entire life 99 years. And you haven't embedded massive unrealized capital appreciation event that you guys are telling me every quarter is going up leaps and bounds.

You've given me the holy trinity of investing. My capital is absolutely SAFE, it's AAA quality. I'm making above market returns and I don't have to constantly reinvest to do that. It just stays out there and clicks. We have very relatively little operating costs. I've got all these really smart people in the buildings working really hard to make the building worth more, so my credit metrics just get better and better and better. And I've got an unrealized capital appreciation that I can mark-to-market every day and go, oh, that's really good.

So what's downside? This sounds like an amazing business. It's incredible. It's the best of the best. It costs a fortune to start this company. I starts probably spent $100 million starting this company. We have to put people in almost every market for a year earning zero for us. We have to educate hundreds and hundreds and hundreds of players in the real estate market. We've very expensive people with no revenue coming back from it.

So we – I start gets a small management fee from Safehold. This only makes sense that we think we're building a big business and we think we're building a big business. It only makes sense if you think you're creating extraordinary returns. We think we're creating extraordinary returns. It only makes sense if we think we can be the long-term dominant player in the sector.

We think will be the long-term dominant player, we have absolutely perfect skill set. So if you think about sort of where we're going and this goes back to your original question, Jade, I don't think people see that future yet or at least not enough people see that future. And we haven't made it easy form, because we want to build this business more and more, we're spending more of our time doing that. But as we start to engage with the capital markets, as we start to engage with shareholders and really start to show him his vision. We have seen a bunch of people go, I need to own this. And we've seen Safehold stock make a nice move. And now that we started to highlight some of the iStar steps we're taking to really capture this value for iStar as well, you're starting to see iStar stock move.

But you're starting from a $17 value trading at $8 to $17 trial value trading at $10, it's not like we've closed the gap fully. So we will be spending more time, our investor relations team has set up a bunch of meetings to say over the next couple months, we need to make sure people actually understand what we're doing.

We told them we were changing strategies, but we didn't really tell them why it's going to be such a good thing. Let's go tell them, let's go highlight all the things we're doing. Let's go make sure not just REIT investors understand, because reaches the tax structure. This is a fast growing, high value, making a major business more efficient, better customer service, revolution. And I'm happy to tell the story in front of Franklin or Capital Re or PIMCO, they'll all get it.

They'll all get when you can create AAA bonds at way above the benchmark. And we think the benchmark is probably in, right now, 3.7%, 3.8% range. We're creating returns that are far in excess of that. So we're creating premium assets or creating a premium business, and we're, frankly, the only ones doing it in any thoughtful way, because we see that future.

<<Unidentified Analyst>>

I have lot of questions, but please raise your hand if you want to ask anything. One question I had is, if this is such a huge opportunity, why would you have a REIT strategy? You're limited by the capacity of the balance sheet. Why wouldn't you be the broker? Why don't you, instead of convincing brokers to learn a new product type that they don't understand be the broker. Why couldn't I start theory? And the broker and broker loan – broker ground leases for SAFE's balance sheet, but ground leases that might not work for SAFE's balance sheet.

<<Jay Sugarman, Chairman and Chief Executive Officer>>

Well, I can answer that in lot of ways. Look, the families in New York that are now on the Forbes 400 are not the brokers, they're the people own the land. This is an incredible investment. I spent 30 years of my career trying to figure out, how to make markets better and how to create value and it's always been from a principal role. I wouldn't know how to be an intermediary. We think we've enlisted the five major houses that control 90% of all transactions. Why would you reinvent the wheel? They're already there. They already talked to every customer to push them off that pedestal would take us hundreds of millions of dollars in decades.

So we are co-opting them by saying you serve your client better by showing them a better alternative that's never existed before. And with a party that you know, you know, for 25 years, I started has been in the relationship business. I started has been in the customer problem solving business. We set up our entire organization to look at real estate opportunities and issues and unlock value. As what we do and we do it by providing capital in a better form, better structure, better price. And when you do that, well, it's an extraordinary business. And there's no shortage of capital in the world. It's not like we're going to run out of money.

We have a great idea of money will find us, but finding extraordinary ideas that nobody else has come up with that you can execute better than anybody else that are actually a better mousetrap. There's nothing more exciting. There's nothing I would rather do. There's nothing I started would rather do. So I think we've got the mission. I think we've got the toolkit. I think we've got the capital. We are working on our cost of funds on the liability side.

You'll see us be pretty innovative on that side. That only really comes with scale, can't do that in a tiny cap REIT, you can do it when you get bigger, people start to pay attention. So a lot of the things that we think will become visible. Haven't really appeared yet or they're just starting to appear, because we haven't reached full scale, but if we get to $2 billion of assets, $3 billion of assets, $5 billion of assets. Then you're really see the business take off the whole another level.

Q&A

<Q>: [Question Inaudible]

<A – Jay Sugarman>: Again, as I said the first year was, really, all education. So every meeting started with ground leases are terrible. Ground leases are all full, ground leases destroy value, why would even talk to you? So we had to spend hundreds and hundreds and hundreds of hours sitting with people and saying old ground leases, modern ground lease, old archaic structures, Safehold structure. We had to deal with lenders, we have to deal with owners, we have to deal with everybody.

So we would go to a principal and go, this is really logical. You're going to make higher returns with less risk. They would look at the numbers and go, you're right, let's do this. A week later there we go, now we're not doing it. We'd ask why. I talked to my lawyer, he says ground leases are evil. And the lawyer on the phone and the lawyer would go, yeah, four years ago I had a client, he had a ground lease, it was terrible. So listen to what we're doing. We're changing all that. We're fixing all that. And now look at the economic results for your client. Oh, you're right. Okay, I was wrong. That's good.

<Q>: [Question Inaudible]

<A – Jay Sugarman>: Yeah. Okay. So, the TIPS market is $1.27 trillion. A fixed income instrument that is inflation protected as an endless pool of people who will buy, endless. Trillions of dollars are desperate for this product. You want to buy TIPS today that protects you against inflation. You're going to earn 88 basis points. You buy AAA ground lease that protects you against inflation. You're in hundreds and hundreds and hundreds of base points higher. If you're an insurance company, if you're a endowment, if you're a sovereign wealth fund, if you've got oil in the ground, 40, 50 years from now, you think is not going to have any value.

This is what you've been looking for. This is the holy trinity. We haven't gone to any of those people. We haven't sat in front of them told the story, because we tell them we have $500 million of it. They'll laugh in our face. They want to see billions and billions of it. That's when they'll get excited. So our job is to create billions and billions.

And even more importantly, we've done something that nobody's ever done and again it kind of go, why? Everybody goes, yeah, but it's 99 years. I can't think in 99 years. I made it a stock. It trades every day. You get to make an investment decision every day. You have to wait 99 years. If you understand this value proposition, you can trade tomorrow, you can buy it or sell it. So once we have liquidity in the stock, once we have scale in the assets, and they said, I don't think we're going to be sitting in a room with 15 real estate knowledgeable people. We sitting in a conference with 500 investors across every type of an investment class you can think of who will go.

So you're reinventing a $7 trillion industry, you create a better mousetrap, you're the best at it, you're the biggest at it. You're way ahead of the curve on their liability structures. You create a AAA bond that is worth 2x what I can buy in the market with a similar credit profile and term profile and you can put hundreds of dollars – millions of dollars in that machine every quarter.

How much would you pay for that machine? So all of this is early days, but the theories, the insights, the three years of intellectual property that we've spent building, we've convinced ourselves no longer theory, no longer, it is practical reality. And by the way, we did this for 20 years in the corporate world. We are not doing something that, oh my god, you guys are trying to change the world the way it thinks. We're trying to change the way real estate thinks, but that's how we build a $5 billion to $10 billion real estate finance business, $5 billion to $10 billion real estate triple net lease business.

Because we didn't make it look like real estate, we made it look like the broader capital markets and that's where all the money is. There $137 trillion of investible assets, real estate as a tiny fraction of that. Once we make this appeal to everybody, then you're going to really see the power of the platform. That's what little bit ways down the road, but every indication we see quarter-to-quarter, week to week, is if we can execute on this business plan. This is not some small niche REIT. This is going to be one of the biggest companies in the sector. And that's our goal.

And we probably will never get to the penetration levels that we really think should exist. But if you can penetrate $7 trillion industry, we don't have to get that deep. We're seeing Washington, D.C. last year, we did six deals. And it happened because of the first deal in January opened everybody's eyes and all the good people who lost all the people who saw it happen. So show me, show me.

So we need to get in more markets with more deals to show people how it works. And then those skeptic walls start to fall down. The lawyer starts going on and get it. And mortgage broker goes, they really can finance just the same as if it was a fee deal. The sales cap rates are just the same. And we have invented all the stuff, because if you went two years ago and said, show me the ground lease database. Nobody had one.

It's a business that's nobody's ever really had any ability to look through and understand. So we've created the database for the brokers. Here's all the lenders who will do a leasehold loan at the same rates. Here's why we are confident you can sell at the end of your five to seven to 10-year old period at the same cap rate or very similar cap rates.

Here's why your returns are going to be so much higher. And all you have to do is show somebody in the real estate world that way to make 500 basis points more and the room's pack because we're all fighting for basis points. What happens when you can show a tool that makes 300, 500 basis points more for them? I mean, if you don't do it, you're at risk.

So I'm hoping that's the dynamic you'll start to see in this expansion phase. We're not there yet. We're still educating. We're still engaging. We're still expanding into new markets, but when it really connects like it did in D.C. last year, it's just we call it, you stop making calls, you start taking calls. And I want to see that dynamic in 10, 15, 20 markets, not one or two.

<Q>: You mentioned when you're meeting with the real estate owner, you initially say you're sitting on this 5% bonds that you're being forced to hold. So by implication, you could be logically saying to someone looking at SAFE stock, here's a 5% ROE, but I assume that you think that this is much greater than 5% ROE. Can you touch on to disconnect there?

<A – Jay Sugarman>: Yeah, I mean look, there's two things or become a parent really quickly when you think about scaling this business. One is, there is truly a network effect, which is you can do things when you have 1005% instruments that you can't do with one. You can create the liability structures better. You can start doing things in terms of the investor base that you can't do when you have one or two. So we study that really hard, like, okay, what is the best analogy for this business? The best analogy for this business is a AAA bond market, and there are long duration AAA bonds, you can buy an MIT bond with a 95-year maturity on it, they have three issues out there. And it trades at about 3.8%.

So if I told you, you could earn 5% on a AAA bond versus 3.8% the bond math tells you you've created a massively premium bond. If you own one of them and it's a liquids not worth big premium, if you own a bunch of them and you can say, and I have a machine that creates 150, 200 basis point premium every time I do a deal, that's an incredibly valuable, it's priceless.

So what each individual building owners facing is, do I want to build a giant scale national customer focused 5% ROE business? No, there's not a single person. We want to. And so we can take that low return drag on their returns, capital inefficient, cost inefficient, risk and reducing instrument, build a portfolio. And do things nobody's ever seen. And we're not going to tell all of our secrets yet.

We just know we have seen the future in a way that makes me the most excited I've been in 25 years. So whether it's today, whether it's tomorrow, whether it's a year from now, whether it's three years from now, the world will understand what we've done. And we will be at a scale where it will be worth everybody's time to pay attention.

<Q>: And over, I think the weighted average maturity is about 50 years. Over the 50-year period, how much of the value is going to come from clipping coupons, the 5% effective yield and how much comes from the reversionary, right?

<A – Jay Sugarman>: Yeah. So very simple business, you have a fixed income component, you have a capital appreciation component. We think the fixed income component is the hard part of the business. You have to be really efficient to build a 5% ROE business that makes shareholders a lot of money. We think we've done that and we'll continue to do that. The capital appreciation component is the one most people don't yet understand and can't really filed on what the heck we're doing. And so we're not spending a lot of time talking about, we're just tracking it for folks. But every day you have a bunch of assets that we're collecting rent on, but at the end of the lease term we will collect the building too.

And just like we see lots of other places where you can track, you can mark-to-market what you own. We're going to mark-to-market for folks. And we'll show them how that value should be thought about down the road. But for now we're just going to track it for them. And we'll say this is – don't spend any time on it, if you don't want to just focus on the fixed income component, you're going to love it. And then when you love that, I got something else for you.

The capital appreciation component is equally fascinating, equally interesting. And ultimately, may become an entirely new asset class that people haven't really thought about. So this is again, let us execute the business, if you’re smart and fortunate enough to have capital that you can deploy into, I start in Safehold, this is a great entry point. But you’re going to watch this story just get better and better.

<<Unidentified Analyst>>

Thanks so much.

<<Jay Sugarman, Chairman and Chief Executive Officer>>

Thanks, everybody.