

## Nontraded REIT Industry Review: Third Quarter 2014



## NorthStar Real Estate Income Trust II, Inc.

Total Assets.....	\$398.4 Million
Real Estate Debt Investments.....	\$355.5 Million
Cash .....	\$35.7 Million
Securities .....	\$0.0 Million
Other .....	\$7.2 Million



Cash to Total Assets Ratio: ..... 9.0%  
 Asset Type: ..... Debt Investments & Securities  
 Number of Investments: ..... 7 Loans  
 Square Feet / Units / Rooms / Acres: ..... Not Applicable  
 Percent Leased: ..... Not Applicable  
 Weighted Average Lease Term Remaining: ..... Not Applicable  
 LifeStage: ..... Growth  
 Investment Style: ..... Debt  
 Weighted Average Shares Outstanding: ..... 17,818,550

Initial Offering Date: ..... May 6, 2013  
 Offering Status: ..... Initial  
 Number of Months Fundraising: ..... 16  
 Anticipated Offering Close Date: ..... May 6, 2015  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

## Historical Price

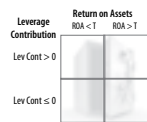


## Contact Information

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**NorthStar Real Estate Income Trust II, Inc.**  
**399 Park Avenue, 18th floor**  
**New York, NY 10022**  
**212-547-2600**

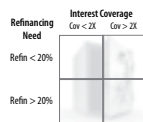
## Performance Profiles

## Operating Performance



As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful return on assets and leverage contribution metrics.

## Financing Outlook



As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful interest coverage ratios. REITs in the Emerging LifeStage often rely on short-term financing with variable rates which will later be refinanced with longer maturity debt.

## Cumulative MFFO Payout

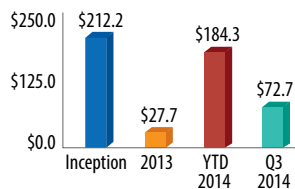


For this Emerging LifeStage REIT there are less than five quarters of data to calculate meaningful MFFO Payout ratios. REITs in the Emerging LifeStage may fund a portion of cash distributions in the first year of operations from offering proceeds until MFFO is sufficient to fund them.

## Summary

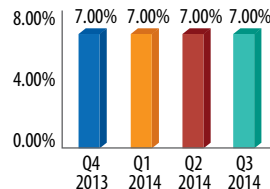
As an Emerging LifeStage REIT with less than five quarters of operating data, metrics for Operating Performance, Financing Outlook and Cumulative MFFO Payout are not yet meaningful. After 3Q 2014, the profile will begin to show meaningful results.

## Gross Dollars Raised\*

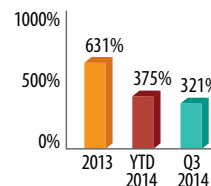


\*Includes reinvested distributions (in millions)

## Historical Distribution

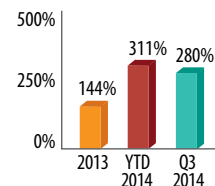


## Historical FFO Payout Ratio



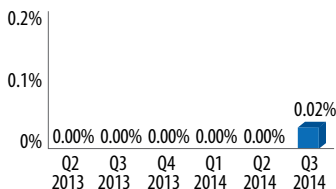
2014 YTD Dist. Paid: .....\$4,774,005  
 2014 YTD FFO: .....\$1,272,003

## Historical MFFO Payout Ratio



2014 YTD Dist. Paid: .....\$4,774,005  
 2014 YTD MFFO: .....\$1,534,163  
 Company Reported MFFO – see notes

## Redemptions

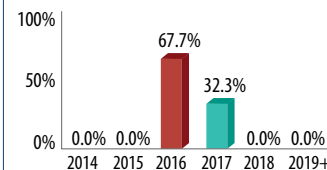


## Debt Breakdown

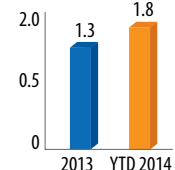


Debt to Total Assets Ratio: ..... 52.1%  
 Total: ..... \$207.7 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$207.7 Million  
 Avg. Wtd. Rate: ..... 2.69%  
 Loan Term: ..... 3 – 5 yrs

## Debt Repayment Schedule



## Interest Coverage Ratio



## Source of Distributions, Trends and Items of Note

- As of September 30, 2014 the Company held seven debt investments with a combined carrying value of \$355.464 million at variable rates with a weighted-average spread of 5.39% over LIBOR.
- As of September 30, 2014, the weighted average maturity, including extensions, of CRE debt investments was 4.7 years.
- In November 2014, the Company originated an \$84.0 million first mortgage loan secured by an office complex property located in Irving, Texas. The loan consists of an initial funding of \$63.0 million, of which \$31.5 million was financed with Loan Facility 2, and future advances of \$21.0 million. The loan bears interest at 6.25% plus a 0.25% LIBOR floor.
- On August 5, 2014, the Company's board of directors approved the sale of 37,797 shares of the Company's common stock to NorthStar Realty, pursuant to the Distribution Support Agreement. NorthStar Realty purchased 285,511 shares of the Company's common stock for \$2.6 million.
- The REIT's Cash to Total Assets ratio decreased to 9.0% as of 3Q 2014 compared to 9.6% as of 1Q 2014.
- The REIT's Debt to Total Assets ratio decreased to 52.1% as of 3Q 2014 compared to 53.5% as of 1Q 2014.
- The Company uses Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the nine months ended September 30, 2014 the Company paid distributions of \$5.815 million including \$2.655 million in proceeds from the DRP. Net cash provided in operating activities was \$1.510 million. The source of distributions for the period was funds from operations (22%), distribution support proceeds (18%), offering proceeds (60%).