

# Nontraded REIT Industry Review: Second Quarter 2015

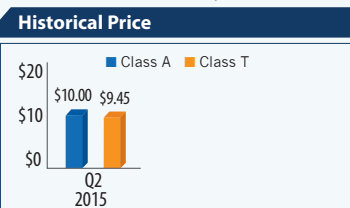
## Carey Watermark Investors 2, Inc.

Total Assets.....	\$270.2 Million
Real Estate Assets .....	\$227.9 Million
Cash .....	\$27.0 Million
Securities .....	\$0.0 Million
Other .....	\$15.2 Million



Initial Offering Date: .....February 9, 2015  
 Offering Status..... Initial  
 Number of Months Fundraising: ..... 5  
 Anticipated Offering Close Date: .....February 9, 2017  
 Current Price per Share: ..... See Below  
 Reinvestment Price per Share: ..... See Below

Cash to Total Assets Ratio: ..... 10.0%  
 Asset Type: ..... Hospitality  
 Number of Investments:..... 3  
 Square Feet / Units / Rooms / Acres: ..... 1,183 Rooms  
 Percent Leased: ..... Not Available  
 Weighted Average Lease Term Remaining:..... Not Applicable  
 LifeStage:..... Emerging  
 Investment Style: ..... Value Add  
 Weighted Average Shares Outstanding: ..... \*434,781

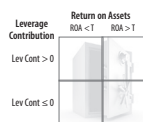


**Contact Information**

[www.CareyWatermark2.com](http://www.CareyWatermark2.com)  
**Carey Watermark Investors 2, Inc.**  
 50 Rockefeller Plaza  
 New York, NY 10020  
 (212) 492-1100

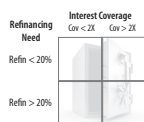
### Performance Profiles

#### Operating Performance



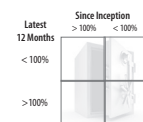
As a Growth LifeStage REIT, there are less than five quarters of data to calculate meaningful return on assets and leverage contribution metrics.

#### Financing Outlook



As a Growth LifeStage REIT, there are less than five quarters of data to calculate meaningful interest coverage ratios.

#### Cumulative MFFO Payout

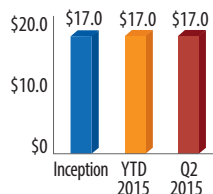


For this Growth LifeStage REIT there are less than five quarters of data to calculate meaningful MFFO Payout ratios.

#### Summary

As an Emerging LifeStage REIT with less than five quarters of significant operating data, metrics for Operating Performance, Financing Outlook and Cumulative MFFO Payout are not yet meaningful. After 3Q 2016, the profile will begin to show meaningful results.

#### Gross Dollars Raised\*



\*Includes reinvested distributions (in millions)

#### Historical Distribution

Not Applicable

#### Historical FFO Payout Ratio

Not Applicable

#### Historical MFFO Payout Ratio

Not Applicable

#### Redemptions

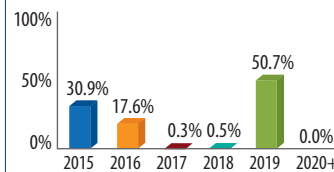


#### Debt Breakdown

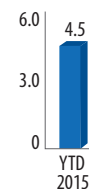


Debt to Total Assets Ratio:.....78.3%  
 Total: .....\$211.4 Million  
 Fixed: .....\$108.7 Million  
 Variable: .....\$102.7 Million  
 Avg. Wtd. Rate: .....2.53%  
 Loan Term: ..... 1 – 4 yrs

#### Debt Repayment Schedule



#### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- On May 15, 2015, aggregate subscription proceeds for the Class A and Class T common stock exceeded the minimum offering amount of \$2.0 million and the REIT began to admit stockholders. Through June 30, 2015, it raised offering proceeds for Class A common stock and Class T common stock of \$8.0 million and \$9.0 million, respectively. The Company intends to use the net proceeds of the offering to acquire, own and manage a portfolio of interests in lodging and lodging-related properties. While its core strategy is focused on the lodging industry, it may also invest in other real estate property sectors.
- During the six months ended June 30, 2015, the REIT acquired three consolidated hotels and an interest in one unconsolidated hotel. On April 1, 2015, it acquired a 50% controlling interest in a joint venture owning the Marriott Sawgrass Golf Resort & Spa from Carey Watermark I. At the date of acquisition, the fair value of real estate and other hotel assets, net of assumed liabilities and contributions from noncontrolling interests, totaled \$24.8 million. The 511-room resort is located in Ponte Vedra Beach, Florida. The unconsolidated hotel investment was a \$37.6 million joint venture investment in the Ritz Carlton Key Biscayne.
- On May 1, 2015, the REIT acquired Courtyard Nashville Downtown hotel from an unaffiliated third party and acquired real estate and other hotel assets, net of assumed liabilities with fair value totaling \$58.5 million. The 192-room hotel is located in Nashville, Tennessee.

- \*Stated average outstanding shares above are for Class A shares only. The Company also had weighted average outstanding shares of 199,959 in Class T shares.
- Net cash flows used in operations for the three months ended June 30, 2015, were \$3.83 million. Net cash used in investing activities were \$162.15 million and net cash provided by financing activities were \$192.82 million. Net cash increase for the period was \$26.84 million.
- The second quarter 2015 declared daily distribution was \$0.0016483 and \$0.0013887 per share for Class A common stock and Class T common stock, respectively. The distributions were comprised of \$0.0013736 and \$0.0011291 per day payable in cash, respectively, and \$0.0002747 and \$0.0002596 per day payable in shares of common stock to stockholders of record on each day of the quarter.
- In June 2015, the board of directors declared third quarter distributions for our Class A and Class T shares at a daily rate of \$0.0016303 per share and \$0.0013735 per share, respectively. The distributions are comprised of \$0.0013586 and \$0.0011168 per day payable in cash, respectively, and \$0.0002717 and \$0.0002567 per day payable in shares of common stock, respectively, for the quarter ending September 30, 2015, payable on or about October 15, 2015 to stockholders of record on each day of the quarter.
- The REIT did not pay distributions to shareholders for the three months ended June 30, 2015. Distributions for the second quarter, 2015, were paid on July 15, 2015 in the amount of less than \$0.1 million.