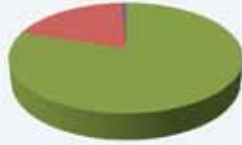


Nontraded REIT Industry Review: Fourth Quarter 2011



Carey Watermark Investors Incorporated

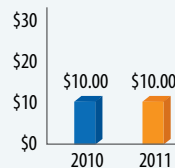
Total Assets.....	\$41.8 Million
Real Estate Assets	\$33.5 Million
Cash	\$8.0 Million
Securities	\$0.0 Million
Other	\$0.3 Million



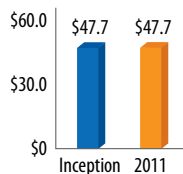
Initial Offering Date:	September 15, 2010
Number of Months Fundraising:	15
Anticipated Offering Close Date:	September 15, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	19.2%
Asset Type:	Hospitality
Number of Properties:	3
Square Feet / Units / Rooms / Acres:	623 Rooms
Percent Leased:	Not Available
LifeStage.....	Emerging
Investment Style	Value Add

Historical Price



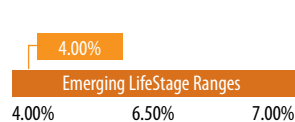
Gross Dollars Raised*



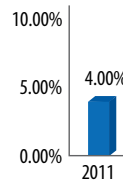
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 4.00%



Historical Distribution



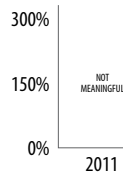
Contact Information

www.CareyWatermark.com
W.P. Carey & Co. LLC
50 Rockefeller Plaza
New York, NY 10020
800-WP CAREY

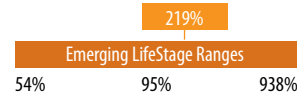
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: NOT MEANINGFULYTD Distributions Paid:.....\$605,778
YTD FFO:,(\$711,857)

Historical FFO Payout Ratio

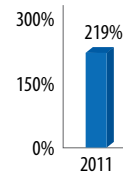


Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: ... 219%YTD Distributions Paid:.....\$605,778
YTD MFFO:, \$276,622

*Company reported MFFO – see notes

Historical MFFO Payout Ratio



Debt Maturity

Not Applicable

Current Debt Ratio

Not Applicable

Debt Breakdown

Not Applicable

Interest Coverage Ratio

Not Applicable

Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding:.....0.00%Redemptions Year to Date:0
Wtd. Avg. Shares Outstanding
as of 12/31/11:2,630,328

*See Notes

Lease Expirations

Not Reported

Trends and Items of Note

- The company had no long-term debt at the end of 2011 and had repaid \$6 million of notes payable to an affiliate.
- During 2011, the REIT completed two joint venture investments at a total cost of \$33.5 million. This investment activity included a 49% interest in Long Beach Hotel Properties, LLC, which owns two waterfront hotel properties in Long Beach, California with assets totaling \$43.6 million at the time of acquisition and an approximate 80% interest in a joint venture which owns the Chateau Bourbon Hotel in New Orleans, Louisiana, with assets totaling \$31.3 million at the time of acquisition.
- The Distribution Yield was below the median of 6.50% for Emerging LifeStage REITs.
- The Company uses modified funds from operations ("Modified Funds from Operations" or "MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 72 for information regarding the source of distributions.