

# Nontraded REIT Industry Review: First Quarter 2015

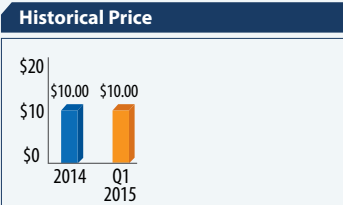
## Cole Office & Industrial REIT (CCIT II), Inc.

Total Assets.....	\$676.7 Million
Real Estate Assets .....	\$643.2 Million
Cash .....	\$22.2 Million
Securities .....	\$0.0 Million
Other .....	\$11.3 Million



Initial Offering Date: ..... September 17, 2013  
 Offering Status..... Initial  
 Number of Months Fundraising: ..... 18  
 Anticipated Offering Close Date: ..... September 17, 2015  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 3.3%  
 Asset Type: ..... Office & Industrial  
 Number of Properties: ..... 23  
 Square Feet / Units / Rooms / Acres: ..... 7.2 Million Sq. Ft.  
 Percent Leased: ..... 100.0%  
 Weighted Average Lease Term Remaining: ..... 11.2 Years  
 LifeStage: ..... Growth  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 25,478,991

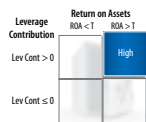


### Contact Information

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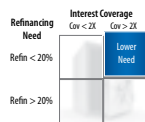
### Performance Profiles

#### Operating Performance



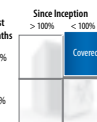
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### Financing Outlook



Interest coverage ratio exceeds the 2.0X benchmark and the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, and has sufficient earnings to cover interest expense.

#### Cumulative MFFO Payout

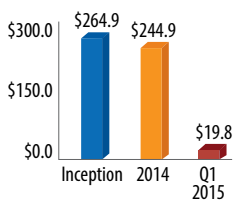


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

#### Summary

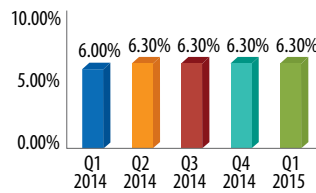
The REIT's return on assets for the last four quarters was 6.88%, above the yield on 10-Year Treasuries, and it had a positive leverage contribution due to its 3.70% average cost of debt and 63.8% debt ratio. About 9% of the REIT's debt matures within two years and 16.5% is at unhedged variable rates, indicating low refinancing needed and minimal interest rate risk. Its interest coverage ratio for the last four quarters at 4.8X is relatively safe. Over the last five quarters (since inception) the REIT has paid out 27% of MFFO in cash distributions excluding DRP, a very sustainable cash distribution payout rate.

### Gross Dollars Raised\*

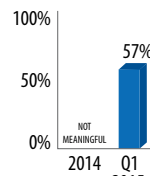


\*Includes reinvested distributions (in millions)

### Historical Distribution

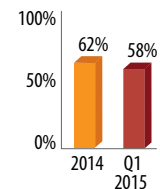


### Historical FFO Payout Ratio



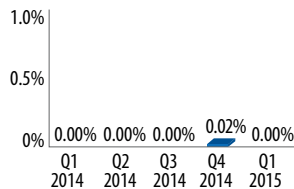
2015 YTD Dist. Paid: ..... \$3,864,000  
 2015 YTD FFO: ..... \$6,747,000

### Historical MFFO Payout Ratio



2015 YTD Dist. Paid: ..... \$3,864,000  
 2015 YTD MFFO: ..... \$6,671,000  
 BVP Adjusted MFFO - see notes

### Redemptions

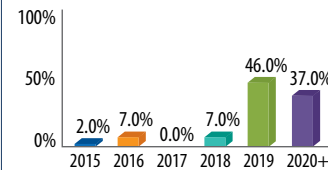


### Debt Breakdown

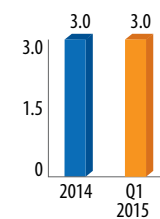


Debt to Total Assets Ratio: ..... 63.8%  
 Total: ..... \$431.9 Million  
 Fixed: ..... \$360.7 Million  
 Variable: ..... \$71.2 Million  
 Avg. Wtd. Rate: ..... 3.70%  
 Loan Term: ..... 4.5 yrs

### Debt Repayment Schedule



### Interest Coverage Ratio



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

- During the three months ended March 31, 2015 the REIT did not acquire any properties.
- The board of directors authorized a daily distribution of \$0.0017260274 per share, based on a per share price of \$10.00, for stockholders of record as of the close of business on each day of the period commencing on January 1, 2015 and ending on March 31, 2015.
- The REIT's Cash to Total Assets ratio decreased to 3.3% as of 1Q 2015 compared to 6.6% as of 1Q 2014.
- The REIT's Debt to Total Asset ratio decreased to 63.8% as of 1Q 2015 compared to 70.2% as of 1Q 2014.
- The Company had hedged \$254 million of variable rate debt.
- The MFFO Payout Ratios reported above were estimated by Blue Vault Partners based on IPA Guidelines and adjustments provided by the Company.
- During the three months ended March 31, 2015 and 2014, the Company paid distributions of \$3.9 million and \$25,000, respectively, including \$2.2 million and \$3,000, respectively, through the issuance of shares pursuant to the DRIP. Net cash provided by operating activities for the three months ended March 31, 2015 was \$15.4 million and net cash used in operating activities for the three months ended March 31, 2014 was \$250,000 and reflected a reduction for real estate acquisition-related expenses incurred of \$39,000 and \$563,000, respectively. The distributions paid during the three months ended March 31, 2015 were funded by net cash provided by operating activities of \$3.9 million, or 100%.