

Nontraded REIT Industry Review: Second Quarter 2015

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

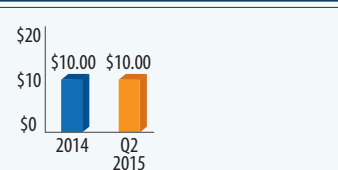
Total Assets.....	\$675.5 Million
Real Estate Assets	\$638.4 Million
Cash	\$21.6 Million
Securities	\$0.0 Million
Other	\$15.5 Million



Cash to Total Assets Ratio:	3.2%
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:	10.7 Years
LifeStage:	Growth
Investment Style:	Core
Weighted Average Shares Outstanding:	28,617,793

Initial Offering Date:	September 17, 2013
Offering Status:	Initial
Number of Months Fundraising:	21
Anticipated Offering Close Date:	September 17, 2016
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Historical Price

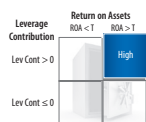


Contact Information

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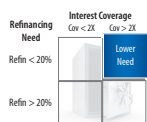
Performance Profiles

Operating Performance



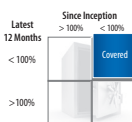
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

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

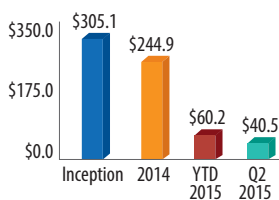


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can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

Summary

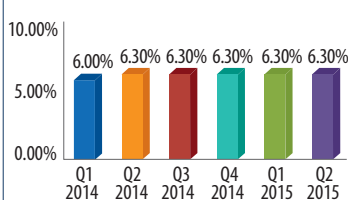
The REIT's return on assets for the last four quarters was 7.23%, above the yield on 10-Year Treasuries, and it had a positive leverage contribution due to its 3.78% average cost of debt and 59.3% debt ratio. About 10% of the REIT's debt matures within two years and 10% is at unhedged variable rates, indicating low refinancing needed and minimal interest rate risk. Its interest coverage ratio for the last four quarters at 3.9X is relatively safe. Over the last six quarters (since inception) the REIT has paid out 30% of MFFO in cash distributions excluding DRP and 29% over the last four quarters, a very sustainable cash distribution payout rate.

Gross Dollars Raised*

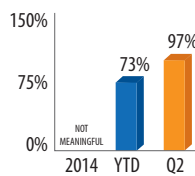


*Includes reinvested distributions (in millions)

Historical Distribution

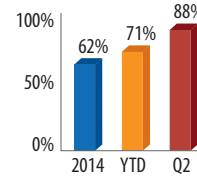


Historical FFO Payout Ratio



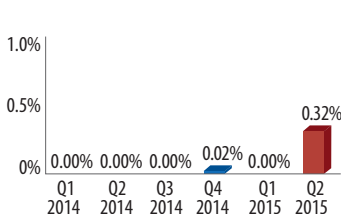
2015 YTD Dist. Paid:\$8,215,000
 2015 YTD FFO:\$11,239,000

Historical MFFO Payout Ratio



2015 YTD Dist. Paid:\$8,215,000
 2015 YTD MFFO:\$11,633,000
 BVP Adjusted MFFO - see notes

Redemptions

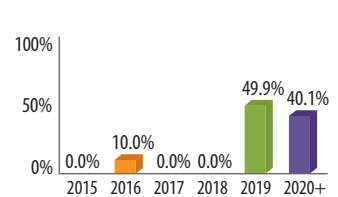


Debt Breakdown

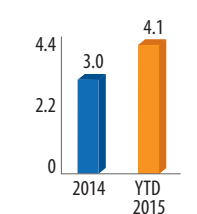


Debt to Total Assets Ratio:	59.3%
Total:	\$400.5 Million
Fixed:	\$360.7 Million
Variable:	\$39.9 Million
Avg. Wtd. Rate:	3.78%
Loan Term:	4.3 yrs

Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- During the three months ended June 30, 2015 the Company did not acquire any properties.
- Subsequent to June 30, 2015, the Board approved the extension of the Offering until September 17, 2016, unless the Board terminates the Offering at an earlier date or all shares being offered have been sold, in which case the Offering will be terminated. Notwithstanding the one-year extension of the Offering to September 17, 2016, the Board will continue to evaluate the timing for the close of the Offering, and currently expects the Offering to close in late 2015 or early 2016.
- The board of directors authorized a daily distribution, based on 365 days in the calendar year, of \$0.0017260274 per share (which equates to approximately 6.3% on an annualized basis, calculated at the current rate, assuming a \$10.00 per share purchase price) for stockholders of record as of the close of business on each day of the period commencing on January 1, 2015 and ending on December 31, 2015.
- The REIT's Cash to Total Assets ratio decreased to 3.2% as of Q2 2015 compared to 3.7% as of Q2 2014.
- The REIT's Debt to Total Asset ratio decreased to 59.3% as of Q2 2015 compared to 68.9% as of Q2 2014.
- The Company had hedged \$254 million of variable rate debt as of June 30, 2015.
- The MFFO Payout Ratios reported above were estimated by Blue Vault based on IPA Guidelines and adjustments provided by the Company.
- During the six months ended June 30, 2015 and 2014, the Company paid distributions of \$8.2 million and \$330,000, respectively, including \$4.6 million and \$165,000, respectively, through the issuance of shares pursuant to the DRIP. Its net income (loss) was approximately \$13.4 million and \$(5.1) million, respectively, for the six months ended June 30, 2015 and 2014. Net cash provided by (used in) operating activities for the six months ended June 30, 2015 and 2014 was approximately \$17.2 million and \$(3.2) million, respectively. The distributions paid during the six months ended June 30, 2015 were fully funded by net cash provided by operating activities.