

# Nontraded REIT Industry Review: Second Quarter 2015

## Hines Global REIT II, Inc.

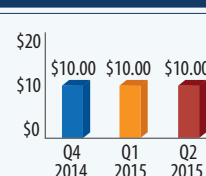
Total Assets.....	\$135.8 Million
Real Estate Assets .....	\$73.8 Million
Cash .....	\$4.4 Million
Securities .....	\$0.0 Million
Other .....	\$57.6 Million



Cash to Total Assets Ratio: .....	3.2%
Asset Type: .....	Diversified
Number of Properties: .....	2
Square Feet / Units / Rooms / Acres: .....	314,839 Sq. Ft.
Percent Leased: .....	99%
Weighted Average Lease Term Remaining: .....	Not Applicable
LifeStage: .....	Emerging
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	4,051,587

Initial Offering Date: .....	August 20, 2014
Offering Status: .....	Initial
Number of Months Fundraising: .....	10
Anticipated Offering Close Date: .....	August 20, 2016
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

### Historical Price

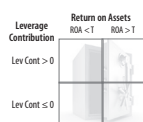


### Contact Information

**www.HinesSecurities.com**  
**Hines Global REIT II, Inc.**  
**2800 Post Oak Boulevard,**  
**Suite 5000**  
**Houston, TX 77056**  
**(888) 220-6121**

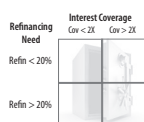
### Performance Profiles

#### Operating Performance



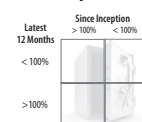
As an Emerging LifeStage REIT, there are less than five quarters of data to calculate meaningful return on assets and leverage contribution metrics.

#### 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

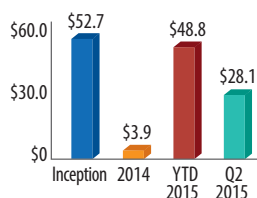


For this Emerging LifeStage REIT there are less than five quarters of data to calculate meaningful MFFO Payout ratios. REITs in the Emerging LifeStage may fund a portion of cash distributions in the first year of operations from offering proceeds until MFFO is sufficient to fund them.

#### Summary

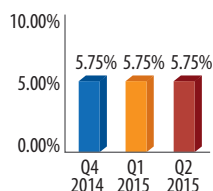
As an Emerging LifeStage REIT with less than five quarters of operating data, metrics for Operating Performance, Financing Outlook and Cumulative MFFO Payout are not yet meaningful. After 4Q 2015, the profile will begin to show meaningful results.

#### Gross Dollars Raised\*

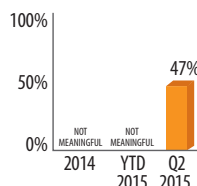


\*Includes reinvested distributions (in millions)

#### Historical Distribution

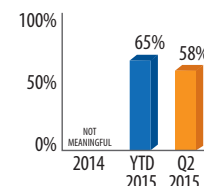


#### Historical FFO Payout Ratio



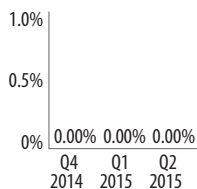
2015 YTD Dist. Paid: ..... \$509,799  
 2015 YTD FFO: ..... (\$3,781,000)

#### Historical MFFO Payout Ratio

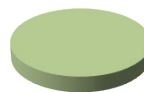


2015 YTD Dist. Paid: ..... \$509,799  
 2015 YTD MFFO: ..... \$780,000  
 Company Reported MFFO – see notes

#### Redemptions

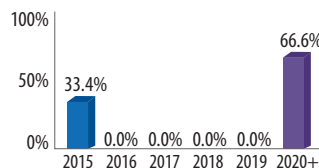


#### Debt Breakdown

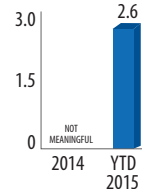


Debt to Total Assets Ratio: ..... 67.7%  
 Total: ..... \$92.0 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$92.0 Million  
 Avg. Wtd. Rate: ..... 1.56%  
 Loan Term: ..... < 1 – 7 yrs

#### Debt Repayment Schedule



#### Interest Coverage Ratio



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

- The Company did not make any acquisitions in the quarter ended June 30, 2015.
- With the authorization of its board of directors, the Company declared distributions to its stockholders for the period from October 1, 2014 through August 31, 2015. These distributions were or will be calculated based on stockholders of record for each day in an amount equal to \$0.001575342 per Class A common share, per day.
- In addition to the distributions described above, the Company's board of directors authorized special stock dividends to its stockholders as of daily record dates for the period from October 1, 2014 through June 30, 2015. Stock dividends for the Company's common shares were calculated based on stockholders of record each day in an amount equal to 0.0000273973 of a share of common stock per share, per day.
- As of June 30, 2015 the REIT had not effectively hedged its variable rate debt for accounting purposes, but it does have an interest rate cap in place with a notional amount of \$61.2 million related to the Bishop's Square transaction.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the six months ended June 30, 2015, the REIT funded 79% of total distributions with cash flows from operating activities and 21% were funded with cash flows from financing activities, which includes offering proceeds. The Advisor has agreed to waive asset management fees for each of the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015, to the extent that MFFO is less than distributions declared for each of the respective quarters. Since MFFO exceeded distributions declared to stockholders during the three months ended June 30, 2015, no asset management fees were waived by the Advisor for this period. However, the Advisor waived \$129,524 in asset management fees payable to it during the three months ended March 31, 2015.