

Nontraded REIT Industry Review: Second Quarter 2015

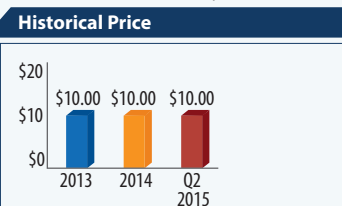
NorthStar Real Estate Income II, Inc.

Total Assets.....	\$1,123.9 Million
Real Estate Debt Investments ..	\$957.1 Million
Cash	\$72.8 Million
Securities	\$39.3 Million
Other	\$54.7 Million



Initial Offering Date: May 6, 2013
 Offering Status: Initial
 Number of Months Fundraising: 26
 Anticipated Offering Close Date: May 6, 2016
 Current Price per Share: \$10.00
 Reinvestment Price per Share: \$9.50

Cash to Total Assets Ratio: 6.5%
 Asset Type: Debt Investments & RE Equity
 Number of Investments:..... 14 CRE Loans; 6 PE; 22 Net Lease
 Square Feet / Units / Rooms / Acres: 6.7 Million Sq. Ft.
 Percent Leased: 99.0%
 Weighted Average Lease Term Remaining:..... Not Applicable
 LifeStage:..... Growth
 Investment Style: Debt & Equity
 Weighted Average Shares Outstanding: 57,542,000

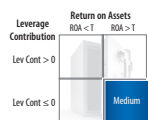


Contact Information

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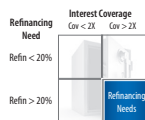
Performance Profiles

Operating Performance



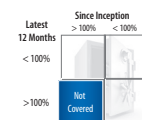
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is not increasing returns to shareholders.

Financing Outlook



As a debt REIT that matches the maturities and variable rates of its borrowings with the maturities and variable rates of its debt assets, the REIT is somewhat protected from interest rate risk and refinancing risk.

Cumulative MFFO Payout

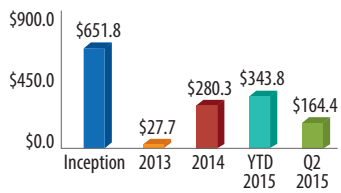


The REIT has not achieved a level of MFFO in excess of cash distributions since inception and the latest 12-month results indicate cash distributions exceed MFFO, a trend which must be eventually reversed for distribution sustainability.

Summary

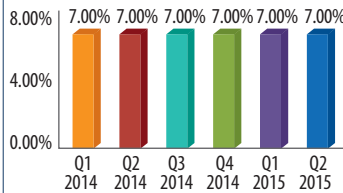
The REIT's return on assets for the last four quarters was 2.78%, above the yield on 10-Year Treasuries, and therefore providing additional returns to shareholders. The REIT also had a negative leverage contribution with an average cost of debt of 3.48% and a debt ratio of 46.9%. None of the REIT's debt is due within two years, but 53% is at unhedged variable rates. The REIT's variable rate debt is matched with floating rate assets (loans) thereby effectively hedging interest rate risk. The REIT's trailing 12-month interest coverage ratio of 2.3X is above the 2.0X benchmark. Over the trailing 12-month period, the REIT paid out 111% of its MFFO in cash distributions excluding DRP and that figure is 116% since inception.

Gross Dollars Raised*

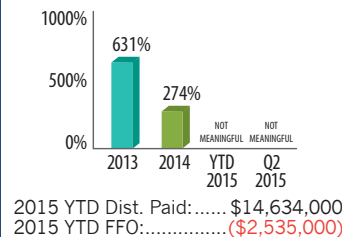


*Includes reinvested distributions (in millions)

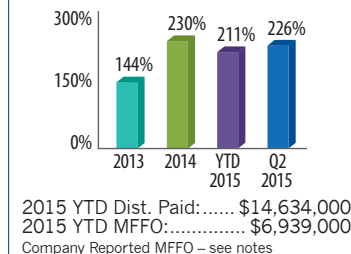
Historical Distribution



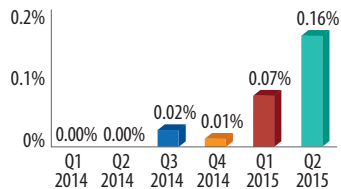
Historical FFO Payout Ratio



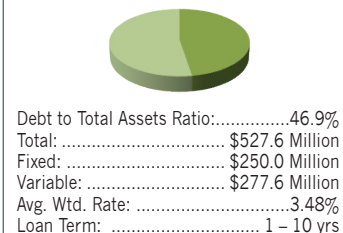
Historical MFFO Payout Ratio



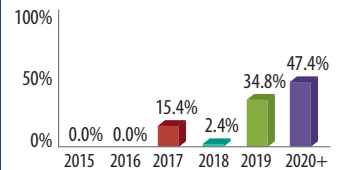
Redemptions



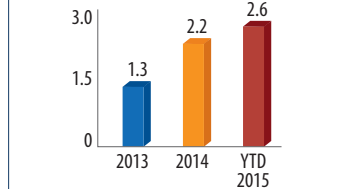
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- For the six months ended June 30, 2015, adjusted for acquisitions and commitments to purchase through August 10, 2015, the Company's investment activity included six loans with an aggregate principal amount of \$177.4 million, including a future funding commitment in a first mortgage loan.
- As of June 30, 2015, the weighted average extended maturity of the CRE debt portfolio is 4.3 years, with a weighted average yield of 6.05% unlevered.
- For the six months ended June 30, 2015, the Company issued 33.8 million shares of common stock generating gross proceeds of \$336.9 million, excluding DRP proceeds.
- From inception through June 30, 2015, the Company issued 64.3 million shares of common stock, generating gross proceeds of \$640.8 million. From inception through June 30, 2015, the Company issued 1,150,378 shares of common stock totaling \$10.9 million of gross offering proceeds pursuant to the DRP.
- The REIT's Cash to Total Assets ratio decreased to 6.5% as of 2Q 2015 compared to 25.0% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio increased to 46.9% as of 2Q 2015 compared to 43.4% as of 2Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- Distributions to stockholders are declared quarterly by the board of directors of the Company and are paid monthly based on a daily amount of \$0.001917808 per share, which is equivalent to an annualized distribution amount of \$0.70 per share of the Company's common stock. Distributions are generally paid to stockholders on the first business day of the month following the month for which the distribution has accrued.
- For the six months ended June 30, 2015, the Company declared distributions of \$16.5 million compared to cash used by operating activities of \$0.589 million. Total distributions declared during this period were paid using proceeds from the Offering.