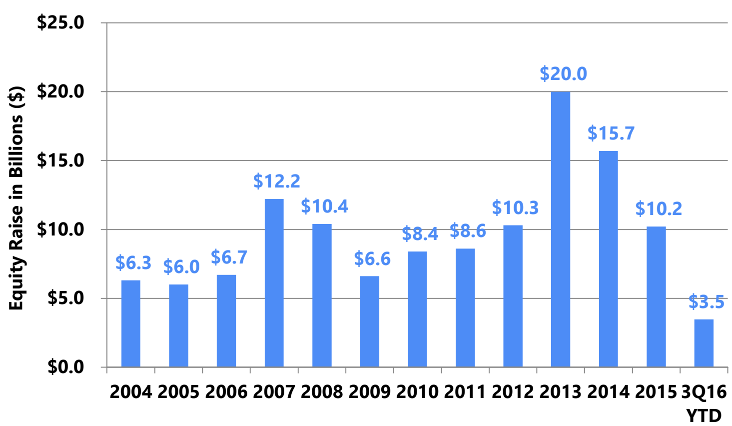
Non-Listed REIT Market Snapshot

3rd Quarter 2016

Non-Listed REIT Historical Capital Raise Summary



Non-Listed REIT 3Q16 Capital Raise Detail

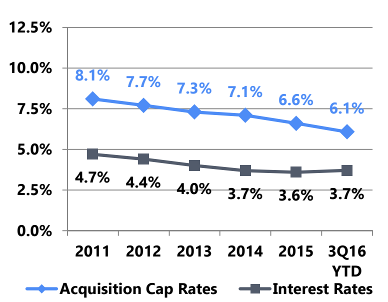
($ in millions)

Effective Non-Listed REITs	**3Q16**
Jones Lang LaSalle Income Property Trust	**$161**
Griffin Capital Essential Asset REIT II	**$110**
Industrial Property Trust	**$102**
Cole Office & Industrial REIT (CCIT II)	**$81**
Carter Validus Mission Critical REIT II	**$71**
Carey Watermark Investors 2	**$68**
NorthStar Real Estate Income II	**$60**
Strategic Storage Trust II	**$54**
Cole Real Estate Income Strategy (Daily NAV)	**$43**
Hines Global REIT II	**$40**
Other Non-Listed REITs	**$221**
Total Effective Non-Listed REITs	**$1,010**

In 3Q16, non-listed REIT fundraising experienced another decline to only $1.0 billion equity raised in the quarter and only $3.5 billion for 3Q16 YTD. On an annualized basis, the 3Q16 YTD fundraising pace would represent the lowest annual fundraising in twelve years. The record fundraising in 2013 and 2014 resulted from favorable public market pricing that facilitated many non-listed REIT liquidations. Since the peak in 2013, non-listed REIT has plummeted due to the departure of the largest fundraiser due to various fraud charges and concerns over new regulatory changes regarding share valuations. Non-listed REITs will need to adapt to regulatory and market changes to return to long-term growth.

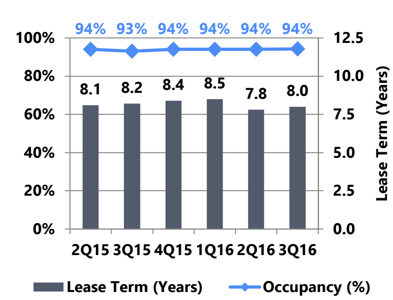
With only $1.0 billion raised in 3Q16, non-listed REITs are enduring a challenging 2016 with new regulatory changes and a potential market transition. With ARC products out of the market due to a settlement related to fraud charges, new sponsors and products are filling the top fundraising spots. Jones Lang LaSalle led fundraising again with $161 million equity for its daily NAV REIT. Griffin Capital Essential Asset REIT II and Industrial Property Trust were the only other programs over $100 million in 3Q16 with $110 million and $102 million equity raised respectively.

Market Risk



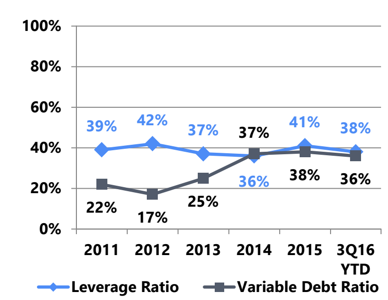
For 3Q16 YTD, cap rates continued a five-year decline to 6.1%, which is a 28% decrease from 2010. Cap rate compression, which highlights commercial real estate price increases, is driven by interest rates on new debt. For 3Q16 YTD, average interest rates on new permanent debt increased to 3.7%, which ended a five-year decline. Higher rates reduce leveraged yields.

Investment Risk



For retail, office, and industrial investments, occupancy and lease terms are key metrics to assess performance trends and investment risk. Market occupancies have increased over the last five years with the market expansion. Occupancies for non-listed REITs remained at a high 94% in 3Q16. For retail, office, and industrial assets, average lease terms increased to 8.0 years.

Financing Risk



In 3Q16, the leverage ratio for non-listed REITs decreased to a moderate 38%, which is comparable to listed REITs. With high commercial real estate prices, non-listed REITs have utilized variable rate debt to boost their leveraged yields. Variable debt ratios have increased from 17% in 2012 to a high 36% for 3Q16 YTD. Non-listed REITs also have a high 31% short-term debt ratio.

For more information about Summit Investment Research, visit our website: www.summit-ir.com, or contact us: 480-722-2737 or info@summit-ir.com.