

Total Fee Burden - Open Core Non-Listed REITs

September 15, 2016

Open Core Non-Listed REITs	Share Class	Sales Fees				Real Estate Fees					Total Fee Burden
		Sales Comm. & DM Fee	Org. & Offering Costs	Distrib. Fee	Sales Fee Burden	Acq. Fees/ Expenses	Finance Fee	Asset Mgmt. Fee	Prop. Mgmt. Fee	Real Estate Fee Burden	
		Upfront	Upfront	Annual	5 years	Upfront	Upfront	Annual	Annual	5 years	
MVP REIT II	Common	0.00%	0.00%	0.00%	0.00%	4.58%	0.00%	1.67%	0.00%	12.92%	12.92%
Blackstone Real Estate Income Trust	T	3.50%	0.85%	0.85%	9.60%	1.00%	0.00%	1.25%	0.00%	7.25%	16.85%
Inland Residential Properties Trust	T	4.75%	1.25%	1.00%	11.00%	1.00%	0.00%	1.20%	0.56%	9.80%	20.80%
NexPoint Multifamily Capital Trust	T	4.00%	1.00%	0.80%	9.00%	3.50%	0.00%	1.50%	0.42%	13.10%	22.10%
Lightstone Real Estate Income Trust	Common	10.00%	2.00%	0.00%	12.00%	2.67%	0.00%	1.67%	0.00%	11.00%	23.00%
Cole Credit Property Trust V	T	5.00%	2.00%	0.80%	11.00%	5.00%	0.00%	1.50%	0.00%	12.50%	23.50%
Lightstone Value Plus REIT III	Common	10.00%	2.00%	0.00%	12.00%	2.67%	0.50%	1.25%	0.47%	11.75%	23.75%
Carter Validus Mission Critical REIT II	T	6.00%	1.25%	1.00%	11.25%	4.58%	0.00%	1.25%	0.35%	12.58%	23.83%
Hines Global REIT II	T	3.25%	0.80%	1.00%	9.05%	5.50%	0.00%	1.50%	0.42%	15.10%	24.15%
CNL Healthcare Properties II	T	4.75%	0.00%	1.00%	9.75%	6.50%	0.00%	1.60%	0.00%	14.50%	24.25%
Carey Watermark Investors 2	T	4.75%	1.50%	1.00%	11.25%	6.25%	0.00%	1.38%	0.00%	13.13%	24.38%
Industrial Property Trust	T	4.00%	2.00%	1.00%	11.00%	4.00%	0.00%	1.60%	0.42%	14.10%	25.10%
KBS Growth & Income REIT	T	5.00%	1.00%	1.00%	10.00%	5.20%	0.00%	1.60%	0.42%	15.30%	25.30%
Strategic Storage Trust II	T	5.00%	1.50%	1.00%	11.50%	4.50%	0.00%	1.25%	0.84%	14.95%	26.45%
Griffin-American Healthcare REIT 4	T	6.00%	1.00%	1.00%	11.00%	6.50%	0.00%	1.60%	0.21%	15.55%	26.55%
Griffin Capital Essential Asset REIT II	T	6.00%	1.00%	1.00%	11.00%	6.00%	0.00%	2.00%	0.14%	16.70%	27.70%
Hartman VREIT XXI	T	6.00%	1.50%	1.00%	11.50%	6.00%	0.00%	1.50%	0.56%	16.30%	27.80%
NorthStar/RXR New York Metro Income	T	4.75%	1.00%	1.00%	10.75%	5.50%	0.00%	2.50%	0.42%	20.10%	30.85%
Steadfast Apartment REIT III	T	5.50%	1.80%	1.13%	11.30%	6.25%	1.13%	2.50%	0.53%	22.50%	33.80%
Moody National REIT II	Common	10.00%	2.00%	0.00%	12.00%	6.25%	1.50%	2.50%	0.70%	23.75%	35.75%

*Fees are calculated as a percentage of gross equity, based on the assumptions below, to determine the Total Fee Burden™ for investors over a five-year period.

Total Fee Burden™ Definitions

Sales Commissions & Dealer Manager Fees: All non-listed REITs present sales commissions and dealer manager fees as upfront fees that are a percentage of gross offering proceeds. For class T shares, upfront sales commissions are either 2.0% or 3.0%, while dealer manager fees range from 1.0% to 3.0% with an average of 2.2%. Fees include contingent payments.

Organization & Offering Costs ("O&O"): All non-listed REITs present O&O as an upfront fee that is a percentage of gross offering proceeds. O&O percentages represent either a cap on advisor reimbursements for actual O&O incurred by the advisor or the sponsor's estimate of O&O expenses to be paid by the non-listed REIT. O&O costs include contingent payments.

Distribution Fee: Non-listed REITs with class T shares pay a portion of the sales commission as an annual distribution fee, which is also referred to as a Stockholder Servicing Fee by some non-listed REITs. Most non-listed REITs have a general cap on overall underwriting compensation including the distribution fee of 10%, and some non-listed REITs provide specific distribution fee caps based on a percentage, such as 4.0%, or period of time, such as five years. In most cases, the upfront sales commission and annual distribution fee are limited to 7% of gross equity.

Sales Fee Burden: Represents the total fee impact of sales commissions, dealer manager fees, and O&O expenses over a five-year period of time as a percent of gross equity.

Acquisition Fees & Expenses: Most non-listed REITs have both acquisition fees and acquisition expense reimbursements reported typically as a percent of gross investments or invested assets. Acquisition expense percentages are based on either an expense cap or an expense estimate. An assumption for the leverage ratio is utilized to determine the impact of acquisition fees and expenses as a percentage of gross equity. Leverage ratio assumptions range from 40% to 60% based primarily on the leverage ratios of prior non-listed REITs from the sponsors.

Finance Fees: Only a few non-listed REITs still charge finance fees. Leverage adjustments (see Acquisition Fees) are used to determine the fee impact as a percent of gross equity.

Asset Management Fee: Percentage of gross investments or assets. Leverage adjustments (see Acquisition Fees) are used to determine the fee impact as a percent of gross equity.

Property Management Fee: Typically reported as a percentage of gross revenues. Both income adjustments and leverage adjustments (see Acquisition Fees) are necessary to determine the fee impact as a percent of gross equity. An assumption for an average cap rate, which is 7.0%, is utilized to convert the fee impact as a percent of gross revenue to gross assets, then the leverage adjustment converts the fee impact to a percent of gross equity. Also, for non-listed REITs that only report a "market" rate, this analysis uses typical fees for that property type.

Real Estate Fee Burden: Represents the total fee impact of acquisition fees, finance fees, and asset & property management fees over a five-year period of time as a percent of gross equity.

Total Fee Burden™: Represents the total combined fee impact of all sales fees and all real estate fees over a five-year period of time as a percent of gross equity. Summit's Total Fee Burden provides an invaluable comparative metric for understanding the total fee impact for individual investors in a non-listed REIT. Higher fees can significantly reduce potential investor returns.