

## Nontraded REIT Industry Review: Third Quarter 2014



## Cole Real Estate Income Strategy (Daily NAV), Inc.

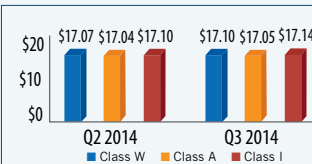
Total Assets.....	\$231.5 Million
Real Estate Assets .....	\$222.2 Million
Cash .....	\$5.5 Million
Securities .....	\$0.5 Million
Other .....	\$3.2 Million



Cash to Total Assets Ratio: ..... 2.4%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 71  
 Square Feet / Units / Rooms / Acres: ..... 1.7 Million Sq. Ft.  
 Percent Leased: ..... 99.6%  
 Weighted Average Lease Term Remaining: ..... 12.2 Years  
 LifeStage: ..... Growth  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 6,800,702

Initial Offering Date: ..... December 6, 2011  
 Offering Status: ..... Initial  
 Number of Months Fundraising: ..... 34  
 Anticipated Offering Close Date: ..... Perpetual Life  
 Current Price per Share: ..... \$17.10\*  
 Reinvestment Price per Share: ..... See Below

## Historical Price

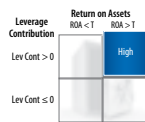


## Contact Information

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**Phoenix, AZ 85016**  
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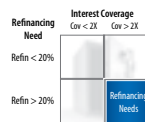
## Performance Profiles

## Operating Performance



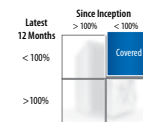
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

## Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of interest expense.

## Cumulative MFFO Payout

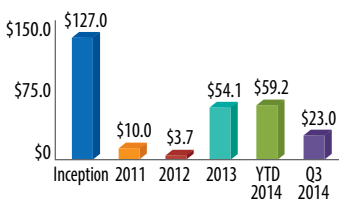


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can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

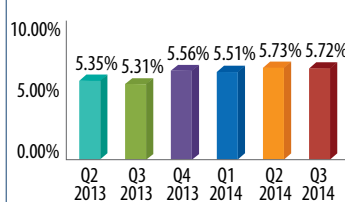
## Summary

The REIT's return on assets for the last four quarters was 6.77%, above the yield on 10-Year Treasuries of 2.64%, and it had a positive leverage contribution due to its 2.40% average cost of debt and 48.7% debt ratio. None of the REIT's debt matures within two years and 82% is at unhedged variable rates, indicating significant interest rate risk. Its interest coverage ratio for the last four quarters at 3.6X is relatively safe. Since inception the REIT has paid out 61% of MFFO in cash distributions excluding DRP, and this rate was 51% for the last four quarters, a very sustainable cash distribution payout rate.

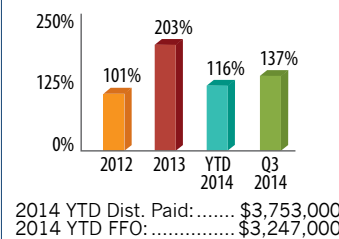
## Gross Dollars Raised\*



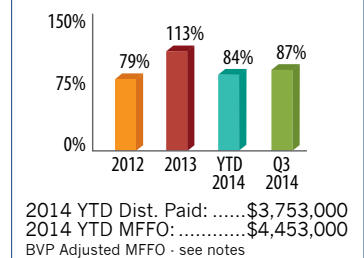
## Historical Distribution



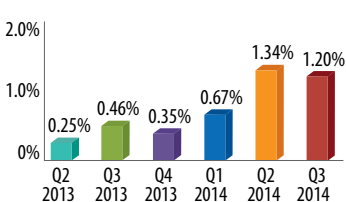
## Historical FFO Payout Ratio



## Historical MFFO Payout Ratio



## Redemptions

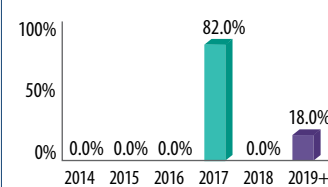


## Debt Breakdown

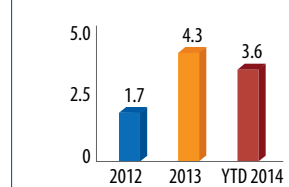


Debt to Total Assets Ratio: ..... 48.7%  
 Total: ..... \$112.8 Million  
 Fixed: ..... \$20.3 Million  
 Variable: ..... \$92.4 Million  
 Avg. Wtd. Rate: ..... 2.40%  
 Loan Term: ..... 3.7 yrs

## Debt Repayment Schedule



## Interest Coverage Ratio



## Source of Distributions, Trends and Items of Note

- During 3Q 2014 the Company acquired 18 properties for a total purchase price of approximately \$71.9 million.
- Subsequent to September 30, 2014, the Company acquired a 100% interest in four real estate properties for an aggregate purchase price of \$5.0 million.
- As of November 10, 2014, the Company had received \$136.0 million in gross offering proceeds through the issuance of approximately 8.2 million shares of its common stock in the Offering (including shares issued pursuant to the DRIP).
- The REIT's Cash to Total Assets ratio increased to 2.4% as of 3Q 2014 compared to 1.5% as of 3Q 2013.
- The REIT's Debt to Total Assets ratio increased to 48.7% as of 3Q 2014 compared to 39.8% as of 3Q 2013.
- The Company did not report MFFO for 3Q 2014 in the 10-Q. The MFFO Payout Ratios reported above were estimated by Blue Vault Partners based on IPA Guidelines and sponsor provided adjustments.
- During the nine months ended September 30, 2014, the Company paid distributions of \$3.8 million including \$1.5 million through the issuance of shares pursuant to the DRIP. The distributions for the nine months ended September 30, 2014 were funded by cash flows from operations, including cash flow in excess of distributions of \$3.7 million, or 99%, and offering proceeds of \$22,000, or 1%.