

## Nontraded REIT Industry Review: Second Quarter 2014



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

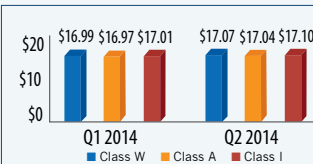
Total Assets.....	\$155.7 Million
Real Estate Assets.....	\$150.9 Million
Cash.....	\$2.9 Million
Securities.....	\$0.5 Million
Other.....	\$1.5 Million



Cash to Total Assets Ratio:.....	1.8%
Asset Type:.....	Diversified
Number of Properties:.....	53
Square Feet / Units / Rooms / Acres:.....	1.1 Million Sq. Ft.
Percent Leased:.....	99.9%
Weighted Average Lease Term Remaining:.....	12.4 Years
LifeStage:.....	Growth
Investment Style:.....	Core
Weighted Average Shares Outstanding:.....	5,362,125

Initial Offering Date:.....	December 6, 2011
Offering Status.....	Initial
Number of Months Fundraising:.....	31
Anticipated Offering Close Date:.....	Perpetual Life
Current Price per Share:.....	\$17.07*
Reinvestment Price per Share:.....	See Below

## Historical Price

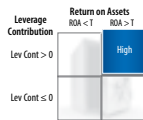


## Contact Information

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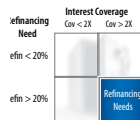
## Performance Profiles

## Operating Performance



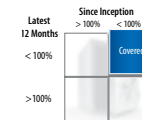
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

## 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

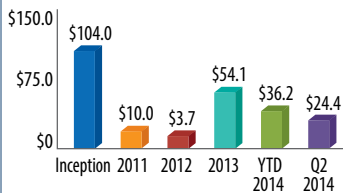


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can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

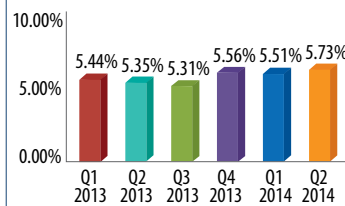
## Summary

The REIT's return on assets for the last four quarters was 7.20%, above the yield on 10-Year Treasuries of 2.50%, and it had a positive leverage contribution due to its 2.74% average cost of debt and 37% debt ratio. All of the REIT's debt matures within two years and all is at unhedged variable rates, indicating significant refinancing concerns and interest rate risk. Its interest coverage ratio for the last four quarters at 3.5X is relatively safe. Since inception the REIT has paid out 65% of MFFO in cash distributions excluding DRP, and this rate was 52% for the last four quarters, a very sustainable cash distribution payout rate.

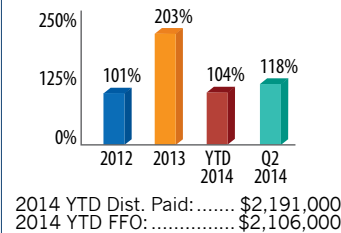
## Gross Dollars Raised\*



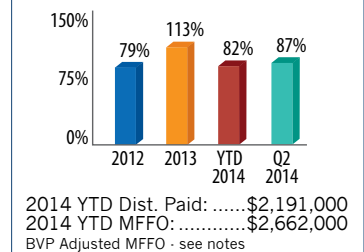
## Historical Distribution



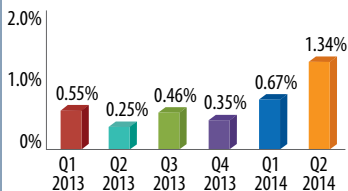
## Historical FFO Payout Ratio



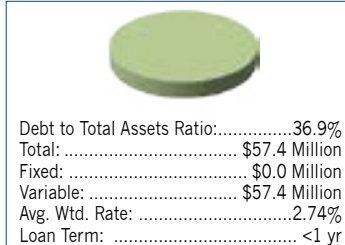
## Historical MFFO Payout Ratio



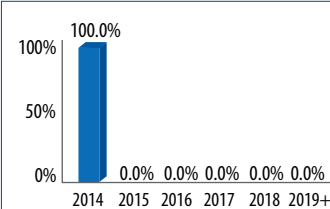
## Redemptions



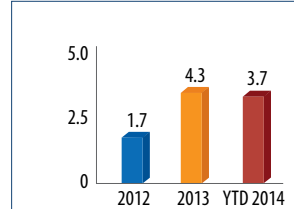
## Debt Breakdown



## Debt Repayment Schedule



## Interest Coverage Ratio



## Source of Distributions, Trends and Items of Note

- During 2Q 2014 the Company acquired 13 properties for a total purchase price of approximately \$35.5 million.
- Subsequent to June 30, 2014, the Company acquired a 100% interest in two real estate properties for an aggregate purchase price of \$5.3 million.
- Subsequent to June 30, 2014, the Company repaid \$5.9 million of the amounts outstanding under the Line of Credit and made no additional borrowings. As of August 8, 2014, the Company had \$51.5 million outstanding under the Line of Credit and \$23.5 million available for borrowing.
- The REIT's Cash to Total Assets ratio decreased to 1.8% as of 2Q 2014 compared to 4.9% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio increased to 36.9% as of 2Q 2014 compared to 28.5% as of 2Q 2013.
- The Company did not report MFFO for 2Q 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 three months ended June 30, 2014, distributions paid to common stockholders were \$1.229 million, inclusive of \$0.486 million of distributions in shares issued under the DRIP. Distributions for the three months ended June 30, 2014 were fully funded by cash flows from operations.