

# Nontraded REIT Industry Review: Second Quarter 2015

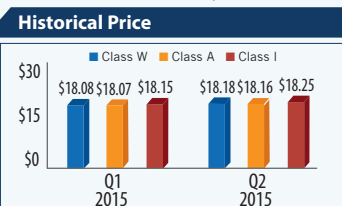
## Cole Real Estate Income Strategy (Daily NAV), Inc.

Total Assets.....	\$233.8 Million
Real Estate Assets .....	\$210.6 Million
Cash .....	\$13.4 Million
Securities .....	\$5.2 Million
Other .....	\$4.5 Million



Initial Offering Date: ..... December 6, 2011  
 Offering Status..... Initial  
 Number of Months Fundraising: ..... 43  
 Anticipated Offering Close Date: ..... Perpetual Life  
 Current Price per Share: (Class W) ..... \$18.18  
 Reinvestment Price per Share: ..... See Below

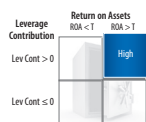
Cash to Total Assets Ratio: ..... 5.7%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 72  
 Square Feet / Units / Rooms / Acres: ..... 1.6 Million Sq. Ft.  
 Percent Leased: ..... 99.6%  
 Weighted Average Lease Term Remaining: ..... 11.6 Years  
 LifeStage: ..... Growth  
 Investment Style: ..... Core  
 Weighted Average Shares Outstanding: ..... 7,504,384



**Contact Information**  
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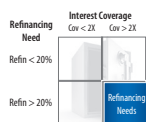
### Performance Profiles

#### Operating Performance



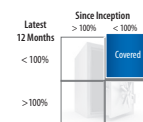
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

#### 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

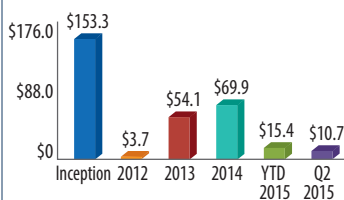


Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can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

#### Summary

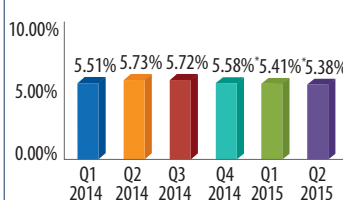
The REIT's return on assets for the last four quarters was 7.43%, above the yield on 10-Year Treasuries, and it had a positive leverage contribution due to its 3.35% average cost of debt and 46.7% debt ratio. None of the REIT's debt matures within two years and 29% is at unhedged variable rates, indicating some interest rate risk. Its interest coverage ratio for the last four quarters at 5.0X is relatively safe. Since inception the REIT has paid out 52% of MFFO in cash distributions excluding DRP, and this rate was 45% for the last four quarters, a very sustainable cash distribution payout rate.

### Gross Dollars Raised\*



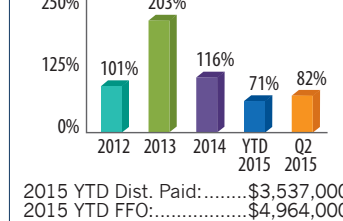
\*Includes reinvested distributions (in millions)

### Historical Distribution



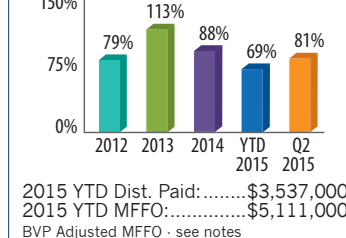
\*See Notes

### Historical FFO Payout Ratio



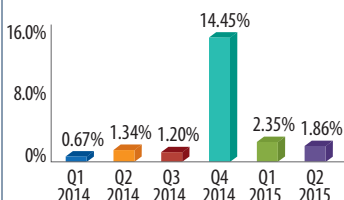
2015 YTD Dist. Paid: .....\$3,537,000  
 2015 YTD FFO: .....\$4,964,000

### Historical MFFO Payout Ratio



2015 YTD Dist. Paid: .....\$3,537,000  
 2015 YTD MFFO: .....\$5,111,000  
 BVP Adjusted MFFO - see notes

### Redemptions

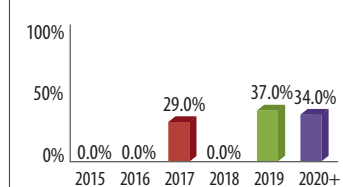


### Debt Breakdown

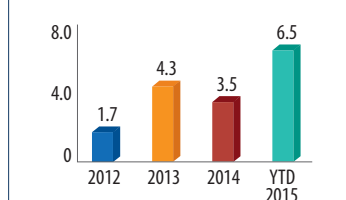


Debt to Total Assets Ratio: .....46.7%  
 Total: .....\$109.3 Million  
 Fixed: .....\$77.3 Million  
 Variable: .....\$32.0 Million  
 Avg. Wtd. Rate: .....3.35%  
 Loan Term: .....4.8 yrs

### Debt Repayment Schedule



### Interest Coverage Ratio



### Source of Distributions, Trends and Items of Note

- Distribution Yields: Class W 5.38%; Class A 5.38%; Class I 5.37%.
- During the six months ended June 30, 2015, the Company acquired a 100% interest in one commercial property for an aggregate purchase price of \$865,000.
- The Company is structured as a perpetual-life, non-exchange traded REIT. This means that, subject to regulatory approval of its filing for additional offerings, the Company will be selling shares of common stock on a continuous basis and for an indefinite period of time to the extent permissible under applicable law.
- Subsequent to June 30, 2015 through August 11, 2015, the Company redeemed approximately 113,254 shares for \$2.1 million.
- As of June 30, 2015, as a part of the Company's active portfolio management, one single-tenant property was classified as held for sale. Subsequent to June 30, 2015, the Company sold the property for an aggregate gross sale price of \$4.1 million resulting in net cash proceeds of \$4.0 million, subject to finalization of closing costs.
- As of August 11, 2015, the Company had received \$160.0 million in gross offering proceeds through the issuance of approximately 9.5 million shares of its common stock in the Offering (including shares issued pursuant to the DRIP).
- As of August 11, 2015, the Company had \$40.0 million outstanding under a Line of Credit and \$56.0 million available for borrowing under two Lines of Credit. Subsequent to June 30, 2015, the Company entered into a \$23.0 million loan agreement with CorAmerica Insurance Company. The CorAmerica Loan has a fixed interest rate of 3.81% per annum with interest payments due monthly.
- The REIT's Cash to Total Assets ratio increased to 5.7% as of 2Q 2015 compared to 1.8% as of 2Q 2014.
- The REIT's Debt to Total Assets ratio increased to 46.7% as of 2Q 2015 compared to 36.9% as of 2Q 2014.
- The Company did not report MFFO for 2Q 2015 in the 10-Q. The MFFO Payout Ratios reported above were estimated by Blue Vault based on IPA Guidelines and sponsor provided adjustments.
- During the six months ended June 30, 2015 and 2014, the Company paid distributions of \$3.5 million and \$2.2 million, respectively, including \$1.5 million and \$863,000, respectively, through the issuance of shares pursuant to the DRIP. The distributions for the six months ended June 30, 2015 were fully funded by cash flows from operations of \$3.5 million.