



Nontraded REIT Industry Review: First Quarter 2014

NorthStar Real Estate Income Trust, Inc.

Total Assets	\$1,771.0 Million
RE Debt Investments	\$1,364.2 Million
Cash	\$188.9 Million
Securities	\$68.5 Million
Other	\$149.4 Million



Initial Offering Date:	July 19, 2010
Offering Close Date:	July 1, 2013
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50
Cumulative Capital Raised during Offering (including DRP):	\$1,097.2 Million

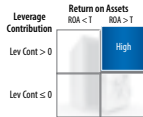
Cash to Total Assets Ratio: 10.7%
 Asset Type: Debt Investments & Securities
 Number of Properties: 29 First Mortgage Loans, 5 Mezzanine Loans, 1 Subord. Mtg. Int., 3 RE Equity, 8 CMBS
 Square Feet / Units / Rooms / Acres: Not Applicable
 Percent Leased: Not Applicable
 Weighted Average Lease Term Remaining: Not Applicable
 LifeStage: Maturing
 Investment Style: Debt
 Weighted Average Shares Outstanding: 115,119,762

Historical Price



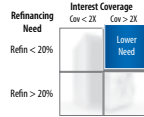
Performance Profiles

Operating Performance



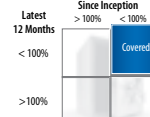
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



A very high interest coverage ratio of 4.8X, far above the benchmark of 2.0X. As a debt REIT that matches the maturities and variable rates of its borrowings with the maturities and variable rates of its debt assets, the REIT is protected from interest rate risk and refinancing risk.

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.

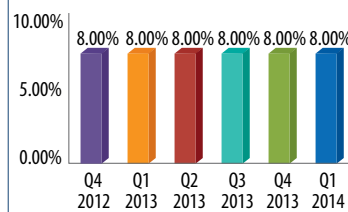
Summary

The REIT's return on assets for the last four quarters was 4.05%, significantly above the yield on 10-Year Treasuries of 1.87%, and therefore providing an additional return to shareholders. The REIT also had a positive leverage contribution 2013 with an average cost of debt of 3.05% and a debt ratio of 35.2%. Very little of the REIT's debt was short term (1.9%). The portion of the REIT's debt which is at variable rates is matched with floating rate assets (loans) thereby effectively hedging interest rate risk. With the YTD interest coverage ratio at 4.8X, well above the 2.0X benchmark, the REIT has shown the ability to cover its debt obligations. Over the trailing 12-month period, the REIT paid out just 53% of its MFFO in cash distributions excluding DRP, and since inception in 2010 it has paid out only 67% of MFFO, a very sustainable ratio.

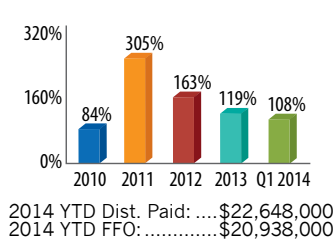
Contact Information

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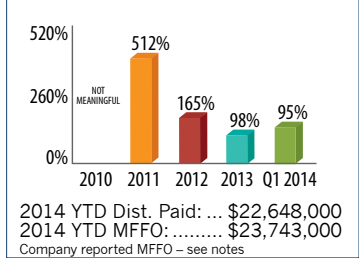
Historical Distribution



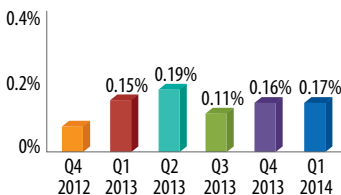
Historical FFO Payout Ratio



Historical MFFO Payout Ratio



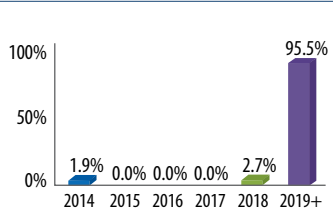
Redemptions



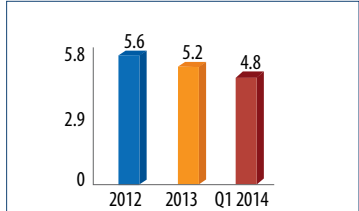
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- For the three months ended March 31, 2014, the Company sold a \$17.5 million participation in a mezzanine loan resulting in a realized loss of \$0.2 million.
- Year to date through May 12, 2014, the Company originated three loans with an aggregate principal amount of \$262.2 million. Two of the loans were financed with \$110.3 million from Term Loan Facilities. The Company also acquired, through a joint venture, a student housing property for \$19.5 million and financed the property with an assumed non-recourse mortgage of \$11.1 million and an assumed non-recourse second mortgage of \$1.8 million. The Company contributed \$5.8 million of equity for an 80.0% interest in the property.
- On May 6, 2014, the board of directors of the Company approved a daily cash distribution of \$0.002191781 per share of common stock for each of the three months ended September 30, 2014, an annualized rate of 8.00% based upon the \$10.00 share price.
- The REIT's Cash to Total Assets ratio decreased to 10.7% as of 1Q 2014 compared to 15.4% as of 1Q 2013.
- The REIT's Debt to Total Assets ratio increased to 35.2% as of 1Q 2014 compared to 28.5% as of 1Q 2013.
- The Company used Modified Funds from Operations ("MFFO") as defined by the Investment Program Association ("IPA").
- Distributions paid on common stock in 1Q 2014 totaled \$22.648 million which were funded by proceeds from the DRP of \$10.235 and the balance by net cash provided by operating activities of \$25.513 million. Therefore, the source of distributions was 100% from operating cash flows.