Part I Reporting Issuer

1 Issuer's name
Cole Real Estate Income Strategy (Daily Nav), Inc.

2 Issuer's employer identification number (EIN)
27-3147801

3 Name of contact for additional information

4 Telephone No. of contact

5 Email address of contact

Investor Services (866) 907-2653

6 Number and street (or P.O. box if mail is not delivered to street address) of contact
2325 East Camelback Road, Suite 1100
Phoenix, AZ 85016

7 City, town, or post office, state, and Zip code of contact

8 Date of action
January 17, 2017

9 Classification and description
Common Stock

10 CUSIP number
193322109
11 Serial number(s)
193322207, 193322306
12 Ticker symbol

13 Account number(s)

Part II Organizational Action

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action
During 2016, Cole Real Estate Income Strategy (Daily Nav), Inc. (the "Company") paid cash distributions to its common shareholders on January 4th, February 1st, March 1st, April 1st, May 2nd, June 1st, July 1st, August 1st, September 1st, October 3rd, November 1st, and December 1st. On January 17, 2017 the Company determined that a portion of each of these distributions represents a return of capital to the shareholders. Consequently, each common shareholder who received a cash distribution on these dates would be affected by this organizational action.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis
For each cash distribution paid to common shareholders by the Company during 2016, 67.04999450% of the distribution represents a return of capital. Accordingly, each common shareholder should treat 67.04999450% of the distributions as a nontaxable distribution and reduce the tax basis of the stock accordingly. Any nontaxable distributions in excess of a shareholder's basis should be treated as a gain from the sale or exchange of property.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates
On January 17, 2017, the Company completed its annual calculation of its Current Earnings & Profits for the year ended December 31, 2016. Based on that calculation, the Company determined that 67.04999450% of its 2016 common distributions represent a return of capital.
17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based. Internal Revenue Code section 316 defines a "dividend" generally as any distribution of property made by a corporation to its shareholders out of Earnings & Profits (as defined by Internal Revenue Code section 312 and the regulations thereunder). Pursuant to Internal Revenue Code section 301(c)(3), a distribution which is not a dividend, to the extent that it exceeds the shareholder's adjusted tax basis of the stock, shall be treated as gain from the sale or exchange of property.

18. Can any resulting loss be recognized? The organizational action reported herein does not result in any losses.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year. The amount of nontaxable distributions on the dates mentioned above either (I) reduces the shareholder's adjusted tax basis in his/her stock or (II) to the extent that it exceeds the shareholder's adjusted tax basis in his/her stock on the dates of the distributions, is treated as gain from the sale or exchange of property in 2016.

Signature: [Signature]
Date: 2/14/2017

Print your name: Benjamin Coleman
Title: Asst Treasurer-Tax Matters

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054